

BEFORE THE STATE TRANSPORTATION BOARD  
OF THE STATE OF ARIZONA

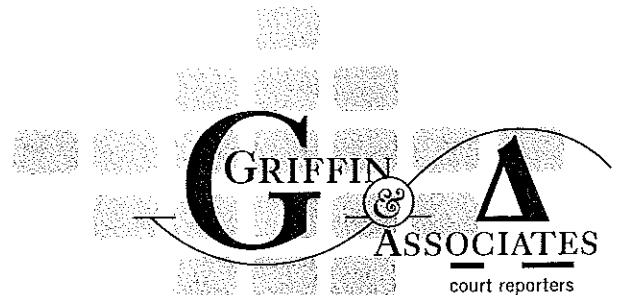
IN RE THE MATTER OF: )  
 )  
STATE TRANSPORTATION BOARD )  
 )  
PUBLIC HEARING AND BOARD MEETING )  
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REPORTER'S TRANSCRIPT OF PROCEEDINGS

Phoenix, Arizona  
April 18, 2008  
9:05 a.m.

PREPARED BY:  
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1 REPORTER'S TRANSCRIPT OF PROCEEDINGS,  
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3 Arizona, at Arizona Department of Transportation  
4 Auditorium, 206 S. 17th Avenue, Phoenix, Arizona, on the  
5 18th day of April, 2008, commencing at the hour of 9:05  
6 a.m. of the said day. These proceedings were reported  
7 by DOREEN C. BORGMANN, RMR, CRR, and a Certified  
8 Reporter in and for the County of Maricopa, State of  
9 Arizona.

10

11 APPEARANCES:

12 STATE TRANSPORTATION BOARD:

13 SI SCHORR, Board Chairman (by telephone)  
14 FELIPE ZUBIA  
15 BILL FELDMEIER  
16 BOB MONTOYA (by telephone)  
17 VICTOR FLORES (by telephone)  
18 BOBBIE LUNDSTROM (by telephone)

16 ARIZONA DEPARTMENT OF TRANSPORTATION:

17 VICTOR MENDEZ, ADOT Director  
18 RICHARD TRAVIS, ADOT Deputy Director  
19 KEVIN BIESTY, ADOT Government Relations  
20 (by telephone)

19 ALSO PRESENT:

20 MARY CURRIE, Executive Director to ADOT  
21 Deputy Director  
22 RAKESH TRIPATHI, Division Director for  
23 Transportation Planning  
24 KWI-SUNG KANG, Regional Transportation  
25 System Office  
26 BARCLAY DICK, Director of the Aeronautics  
27 Division  
28 JOHN McGEE, Director of the Aeronautics  
29 Division  
30 SAM ELTERS, State Engineer

## P R O C E E D I N G S

1  
2 MS. CURRIE: Present on the phone is Si Schorr,  
3 Bobbie Lundstrom, Bob Montoya, Victor Flores, and I  
4 think I've got everybody.

5 MS. LUNDSTROM: Yes.

6 CHAIRMAN SCHORR: Yes.

7 MR. MONTOYA: Yes.

8 MR. FLORES: Yes.

9 CHAIRMAN SCHORR: If you're here, say, "Here."

10 MS. CURRIE: Bobbie.

11 MS. LUNDSTROM: Here.

12 MS. CURRIE: Bob?

13 MR. MONTOYA: Here.

14 MS. CURRIE: Victor?

15 MR. FLORES: Here.

16 MS. CURRIE: And Si?

17 CHAIRMAN SCHORR: Here.

18 MS. CURRIE: And physically present, I have Bill  
19 Feldmeier.

20 MR. FELDMEIER: Physically present.

21 CHAIRMAN SCHORR: You didn't say anything about  
22 financially, did you?

23 MR. FELDMEIER: That's right. I wanted separate  
24 the two, and you caught it right away.

25 CHAIRMAN SCHORR: Good morning. And I think we

1 shall dispense -- since -- I think we'll dispense with  
2 the pledge of allegiance. And I think we'll also  
3 dispense with the opening remarks other than to welcome  
4 you to the meeting, and let's proceed with the first  
5 item.

6 MR. ZUBIA: Mr. Chairman.

7 CHAIRMAN SCHORR: Is Victor there to present the  
8 director's report?

9 MR. FELDMEIER: Go ahead.

10 MR. ZUBIA: We have the hearing portion right now  
11 of the board meeting.

12 MR. FELDMEIER: Can you hear all right, Si?

13 CHAIRMAN SCHORR: I can hear you fine.

14 MR. FELDMEIER: You might need to get a little  
15 close to her the mic.

16 MR. ZUBIA: Sure.

17 CHAIRMAN SCHORR: Okay. Is that better?

18 MS. LUNDSTROM: Yes.

19 MR. TRIPATHI: Mr. Chairman, members of the  
20 Board, this is Rakesh Tripathi, Division Director for  
21 Transportation Planning.

22 MR. FELDMEIER: Can you hear that all right, Si?

23 CHAIRMAN SCHORR: I can.

24 MR. FELDMEIER: Okay. Good.

25 MR. TRIPATHI: I've got in front of you for your

1 consideration Item A, B, and C. Basically, these items  
2 are Fiscal Year 2009-2013 Subprogram Recommendations,  
3 Statewide Program Highway Construction Program  
4 Recommendations, and also the PAG Regional Highway  
5 Construction Program Recommendations.

6 And Mr. Chairman, you have already seen  
7 this presentation in the last Board meeting, and I would  
8 request your advice. Would you like me to go over this  
9 presentation, or, in the interest of time, would you  
10 like to go ahead on the agenda?

11 CHAIRMAN SCHORR: Would you please repeat for me  
12 which items particularly you're referring to.

13 MR. TRIPATHI: I'm referring to Items A, B, and  
14 C.

15 CHAIRMAN SCHORR: A, B, and C of which numerical  
16 item?

17 MR. TRIPATHI: We are talking about the public  
18 hearing part of it. That's your -- the first part of  
19 the agenda. This is not the regular consent agenda.  
20 This is before that.

21 MR. ZUBIA: Si, if I can help you -- this is  
22 Felipe. It's part of the amended agenda that was sent  
23 out back on April 11.

24 CHAIRMAN SCHORR: I'm afraid I don't have the  
25 amended agenda in front of me.



1 MR. FELDMEIER: So let me just ask a question.  
2 We're going to have the same information provided this  
3 morning by you, Rakesh, that was provided to us in  
4 Tucson last month?

5 MR. TRIPATHI: Yes, sir. As part of the public  
6 hearing, we have three -- you know, last meeting was  
7 also a public hearing.

8 MR. FELDMEIER: Right.

9 MR. TRIPATHI: And this is a public hearing as  
10 well. But I don't have any new information. It's the  
11 same information that was presented in the last meeting,  
12 which reflects in the minutes, and --

13 MR. ZUBIA: And are you going to repeat that  
14 information to us and to the members.

15 MR. TRIPATHI: Well, I would prefer not to if you  
16 don't --

17 MR. ZUBIA: Mr. Chairman, with your concurrence,  
18 I'd just like to ask a quick question. It's possible  
19 that there are people in the audience that were not in  
20 Tucson that did not have the ability to hear that  
21 presentation. And I'm wondering if it might not be wise  
22 for us to do that just as a part of our regular  
23 responsibility.

24 CHAIRMAN SCHORR: To do what, Bill?

25 MR. ZUBIA: To have that presentation be made to

1 us as it was in Tucson, even though it's repeating that  
2 information. We have people in the audience who likely  
3 were not in Tucson that I think would like to hear that  
4 information.

5 CHAIRMAN SCHORR: Bill, could you please take a  
6 show of hands to see who in the audience there is there  
7 for this particular presentation so we can decide that.

8 MR. ZUBIA: I don't know how many of you heard  
9 that. But the chairman has asked for those of you in  
10 the audience that did not have the ability to hear this  
11 presentation in Tucson last month. One, two -- there's  
12 at least three, four, five, six, seven. Now the hands  
13 are popping up.

14 And Mr. Chairman, we also have the attorney  
15 -- you didn't see this -- came up to me just as I was  
16 discussing that with you with, I presume, the suggestion  
17 that we go through the routine as a part of our public  
18 hearing process and the responsibility we have. So with  
19 that, Mr. Chairman, I'd suggest that we continue as we  
20 did in Tucson.

21 CHAIRMAN SCHORR: I would agree.

22 MR. TRIPATHI: Thank you, Mr. Chairman for the  
23 direction. We'll go ahead with the presentation now.

24 Mr. Chairman, the first presentation is  
25 fiscal year 2009-13 subprogram recommendations. The

1 tentative approval for this -- all right. Thank you.

2 On January 30, the PPAC will take an action  
3 on the five-year program and will --

4 MS. LUNDSTROM: I'm sorry. I'm having a very  
5 hard time hearing you.

6 MR. TRIPATHI: I'm sorry. I think I'm missing a  
7 slide here. So give me a second longer here. All  
8 right. We're here now.

9 Well, this is the second public hearing as  
10 far as our public hearing process. The first public  
11 hearing we had was in Tucson on March 21. And today is  
12 the second one. And the third public hearing that we'll  
13 have for the five-year program would be in Flagstaff,  
14 and that will be held at the City Hall in Flagstaff in  
15 the City Council Chambers on May 16.

16 On June 4, PPAC, which is a committee at  
17 ADOT, will recommend to the Board the approval of the  
18 five-year program. And it is our intent that we'll  
19 present this to the Board on June 20 for their final  
20 adoption. And that meeting would be in Nogales. The  
21 route allocation that we have presented before that you  
22 see here, basically the subprograms and MAG/PAG and 13  
23 other counties, the level that you see there, one of the  
24 things, Board members, that I would like to bring to  
25 your attention is that this is the fifth year of the

1 five-year program. As you can see, the 13 other  
2 counties, you have \$82.4 million for the entire year.

3 And that is pretty much a picture of our  
4 financial situation, is that if our funding situation  
5 goes the way it is, we really have no money left for  
6 doing any kind of major projects in the future. And the  
7 more we go forward in the years, you will see that \$82  
8 million get reduced when we are focusing more on  
9 pavement preservation and maintenance due to the wear  
10 and tear on our system and aging of our system. So that  
11 is pretty much a snapshot of our financial roles that we  
12 are facing here.

13 The recommended subprogram increases the  
14 SPR, the statewide planning and research. We are  
15 proposing to increase by \$100,000 in 2009-12. And in  
16 2013 from \$300,000 to \$500,000, a small increase there  
17 for our SPR program. The pavement preservation in 2013  
18 increases from 125 million to 135, an increase of \$10  
19 million.

20 As you know, that it's been Board's intent  
21 and the Department's to communicate as effectively as  
22 possible about our programs and our projects. And in  
23 light of that, the public involvement budget is proposed  
24 to increase by \$1 million and then in 2009 and 2010  
25 increase to \$2 million and 2011 and 2012 to \$3 million

1 and 13 to increase to \$4 million. That is basically in  
2 recognition that it will cost us more and the emphasis  
3 on communication.

4           The 13 other county major projects that you  
5 have seen before, but I'll quickly go over them, the  
6 first one is I-17 Black Canyon City to Cordes Junction  
7 project. The length of that project is about 20 miles.  
8 The DCR started in spring of 2006, and the expected  
9 completion of that process is expected to be fall of  
10 2008. Again, we are -- this is basically we are trying  
11 to build up a bank for this project. As you know, this  
12 project, there is an estimation that just to add one  
13 lane in each direction for this stretch probably would  
14 cost over a quarter billion dollars. So in fiscal year  
15 12, we banked about \$9.5 million. And if you total 12  
16 and 13 together, we have about \$19 million banked for  
17 this project. But, again, this is a long way to go  
18 before we have adequate amount of money to do this  
19 project.

20           The second project that you see is State  
21 Route 89. It's from State Route 89A to Milepost 324.  
22 The length of this project is about seven miles.  
23 Currently, this project is two-lane road. And it  
24 carries pretty much the same traffic as I-17 in that  
25 area. It's about 22,000 vehicles per day. The program

1 amount here for 2013 is \$10 million. We have already  
2 programmed \$15 million in 2012. So all together we have  
3 about \$25 million banked for this project.

4           The next project -- this one is in Mohave  
5 County. This is basically I-40, Rattlesnake Wash  
6 Traffic Interchange project. There is a partnership  
7 with the City of Kingman with local contribution being  
8 30 percent and the State contribution being 70 percent.  
9 It's an \$18 million allocation for 2013. And this is a  
10 project that is supposed to let much sooner than the  
11 projects that I've mentioned before.

12           The next project is U.S. 60, Superior  
13 streets, construct roadway widening. Basically, this is  
14 a \$9.8 million allocation for fiscal year 2013. It  
15 basically completes U.S. 60 widening to divided highway  
16 S.R. 177 intersection, Superior. And, basically, what  
17 we're trying to do is -- existing condition right now  
18 two lane with center lane, and we're trying to make this  
19 into a four-lane with center lane.

20           The next project is U.S. 93. And I have to  
21 mention that this is part of the Canamex corridor that  
22 has been in consideration for a long time with respect  
23 to executive orders from the governors present and  
24 previous. And definitely there are some challenges when  
25 it comes to this road in terms of safety and traffic.

1 And one of the comments that I received from our Canamex  
2 coordinator that this is a very important project for  
3 the corridor itself.

4 Then we have some allocation for the TOC  
5 subprograms. This is to basically develop the programs,  
6 you know, go through the design and the development  
7 process. So you have major project designs for \$6  
8 million, project corridor studies for \$3 million,  
9 passing lane and construction for that for about \$4.7  
10 million.

11 The next item is Item C, which is fiscal  
12 year 2009-13, PAG Regional Highway Construction Program.  
13 And I'll go pretty quick on these items. I'm not going  
14 to go into detail unless anyone has a question. The  
15 first project is I-10. And we are allocating --  
16 proposing to allocate for fiscal year 13 \$3 million.  
17 Again the total cost for PAG is about \$15 million, and  
18 we are trying to bank this money so we can get to that  
19 point where we have adequate funds for the  
20 implementation of this project.

21 The next project is I-10, Marana  
22 Interchange to Ina Road. And this is -- again we are  
23 banking \$6 million as an allocation for fiscal year  
24 2013. As you know, this project will need far more than  
25 \$6 million. We have already put in \$4 million in 2012,

1 so right now we have \$10 million for a \$75 million  
2 project. So it will take some time before we have  
3 adequate funds to implement this project.

4 The next project is I-10 - Valencia Road  
5 TI, design and widening of bridges, fiscal year 2013.  
6 We are banking \$17.824 million. As you know, this is a  
7 major project. This money is just adding up trying to  
8 build up a bank so that in the future we can build this  
9 project.

10 The next project is I-10 - Country Club  
11 Road traffic interchange. This is again -- the total  
12 cost of doing this project is \$50 million. But 2013 we  
13 are allocating \$10 million for that. In 2012 we have \$4  
14 million for that. So all together till today we have  
15 \$14 million towards the project that will cost 50  
16 million. So, again, this is also some years away before  
17 implementation.

18 The next one is I-10 - Wilmot Road traffic  
19 interchange, 2013. We are banking \$6 million for this.  
20 In 12, we had \$4 million. So all together, four plus  
21 six, \$10 million has been identified for this project  
22 that will take \$50 million to complete. So, again, this  
23 is partially funded project.

24 The next project is I-19, San Xavier to Ajo  
25 Way. This is constructing a six-lane divided section.



1 Again, the total cost of doing this project is about \$48  
2 million, and we are banking in 2013 \$6 million; in '09,  
3 \$9 million; and in 2011, \$29 million for a total of \$38  
4 million has been earmarked for this project. So it is  
5 getting close to getting fully funded.

6 State Route 77, Tangerine Road to Pinal  
7 County Line. In 2013 we are banking \$12.677 million  
8 dollars. The cost of doing this project would be about  
9 \$27 million dollars. So we are getting close to having  
10 adequate funds on this project to implement.

11 Mr. Chairman, that's all I have. And now  
12 for Item B, I would like to invite Mr. Kang to present  
13 to you the metropolitan region, the system regional  
14 transportation plan recommendation. Thank you.

15 MR. KANG: Good morning, Mr. Chairman and members  
16 of the Board. My name is Kwi Kang. I am from the  
17 Regional Transportation System Office. I would like to  
18 give you a presentation on MAG tentative five-year  
19 program.

20 I would like to start with you the proposal  
21 fiscal year 2013 project within Maricopa County and  
22 their projects. On I-17 between Arizona Canal and State  
23 Route 101, construction of six miles of general purpose  
24 lane for \$48 million.

25 And on I-10 between Baseline and San Tan

1 Freeway, design of six miles of general purpose lane for  
2 \$2.6 million.

3 I-10 far west at Perryville Road,  
4 construction of a new TI for \$8.2 million.

5 On U.S. 60, Grand Avenue between State  
6 Route 303 and Van Buren Street, design of roadway  
7 improvements for \$8.1 million.

8 On U.S. 60, at Meridian Road, construction  
9 of a new TI for \$8 million.

10 On State Route 101, Pima Freeway between  
11 I-17 and Tatum Boulevard, construction of seven miles of  
12 HOV lane.

13 State Route Pima Freeway between Shea  
14 Boulevard and Red Mountain Freeway, design of 11 miles  
15 of general purpose lane.

16 State Route 202 on Red Mountain between  
17 Loop 101 and Gilbert Road, design of six miles of  
18 general purpose lane.

19 San Tan Freeway between Dobson and I-10,  
20 construction of six miles of HOV lane. And this project  
21 will include HOV to HOV connection.

22 South Mountain between I-10 and 51st  
23 Avenue, we program \$150 million dollars for construction  
24 of a new freeway.

25 State Route 801 between State Route 303 and

1 South Mountain, we set aside \$10 million for  
2 right-of-way purchase.

3 And State Route 303, we programmed \$265  
4 million for construction of a new freeway.

5 The total program for RTP freeway program,  
6 \$3.56 billion for next five years in Maricopa County.  
7 And this concludes my presentation. If there is any  
8 questions, I will try to answer.

9 MR. ZUBIA: We appreciate the brief presentation.  
10 I just had a request for some follow-up information. On  
11 all the new projects on 2013, what I'd like to get is a  
12 summary of each of those projects and funding sources  
13 where the funding is going to be coming from each of  
14 those, the percentages, the way you typically do it,  
15 State fund, federal fund, and so forth. If you could do  
16 that, I'd appreciate it.

17 MR. KANG: Yes. I will find the funding sources,  
18 and I will send that information to you.

19 MR. ZUBIA: That would be great. And if you  
20 could apply that same breakdown to the total. I think  
21 it was 6.9.9 for the 20-year.

22 MR. KANG: All right. Thank you.

23 Next presenting, we will present the  
24 Airport Program.

25 MR. KLEIN: Mr. Chairman, members of the Board,

1 my name is Mike Klein. I'm the Airport Program Manager  
2 for the Aeronautics Division.

3 The Airport Development Program for the  
4 State of Arizona is funded entirely by a statutory fund  
5 called the Aviation Fund. It is funded primarily with  
6 property tax, through commercial airline services and  
7 aircraft registration fees for any privately owned  
8 aircraft throughout the state. Aviation fuel, Grand  
9 Canyon Airport, airport loan payment system, and  
10 interest in investment interests constitute the bulk of  
11 the Aviation Fund. In 2007, that totaled approximately  
12 \$23 million.

13 Beginning in fiscal year '08, the fund  
14 balance was \$34 and a half million with expenses of  
15 about \$26 million -- I'm sorry -- revenues of about \$26  
16 million and expenses of \$48 million, ending the fiscal  
17 year '07 with approximately \$12 million. This is the  
18 beginning point for '08 as we begin to talk about it.

19 Because airports in the State of Arizona  
20 are owned by jurisdictions other than the State of  
21 Arizona, our airport development program is issued -- is  
22 by issuing grants to owners of the airports and to fund  
23 their activities. 93 public airports exist in the  
24 state. 66 actually submitted requests to us for  
25 funding. These requests included federal matching

1 grants that come from Federal Aviation Administration.

2 In our analysis for fiscal year '09  
3 funding, we considered 74 projects for about \$41  
4 million. And having gone through the Board's  
5 prioritization process, 27 are proposed to be funded in  
6 '09 for \$21 million. We take that \$21 million and  
7 combine that with a pot or set-aside that we use to  
8 match federal grant moneys of four and a half million.  
9 We have reduced the airport pavement preservation  
10 program to zero in order to get new contracts moving and  
11 to help with the funding issue. Airport development  
12 loans are set aside at \$1 million, and State planning  
13 services are at \$1 million. So the '09 program is  
14 proposed at \$28 million.

15 Extending the program through the five-year  
16 program, the funding is fundamentally the same with each  
17 year being approximately \$28 to 30 million over each of  
18 the five-year periods. There is some balancing as we  
19 bring the airport pavement preservation back on line in  
20 some of the out years for between \$3 million and \$4  
21 million, and the loan program is reduced to help balance  
22 that program.

23 The cash balances in the fund under this  
24 proposed program would start '09 with the ending balance  
25 of '08 of \$12 million, ending with about \$13 million and

1 remaining consistent until the out year of nearly \$9  
2 million. That would be the cash balance provided that  
3 this program is set in place and maintained  
4 consistently.

5 I guess I had a thought, and I've lost it.  
6 I apologize. That is the program that we are proposing  
7 to the Board for approval later this year.

8 MR. ZUBIA: Thank you.

9 Si, are you still there? Mr. Chair?

10 MS. LUNDSTROM: Yes?

11 MR. ZUBIA: Si?

12 CHAIRMAN SCHORR: Yes. I'm here.

13 MR. ZUBIA: All right. Just making sure. We  
14 just wrapped up the presentation on the airport. So I  
15 guess I wanted to make you aware of that in case you  
16 didn't hear that.

17 CHAIRMAN SCHORR: I did. Again, I do not have a  
18 copy of the addendum to the agenda. So I'm curious as  
19 to what else is on the agenda.

20 MR. FELDMEIER: Mr. Chairman, I've got a quick  
21 question before we go there. We need to complete the  
22 discussion as it relates to the public hearing. And I  
23 have a question related to the TOC recommendations.

24 CHAIRMAN SCHORR: By all means.

25 MR. FELDMEIER: Okay. And Rakesh.

1                   At the Tucson meeting when Mr. Mauller  
2 presented the information to us on the TOC, I made the  
3 observation that there were eight counties that had no  
4 funding available for major projects in 2013, the fifth  
5 year. And I asked that that money off of one particular  
6 project, that U.S. 93, be considered for redistribution  
7 in those other counties. And it was my understanding  
8 that the staff folks were going to review possible  
9 projects in those counties and come back to the Board  
10 with some possible recommendations. And I'm just  
11 looking for an update on where that may be.

12               MR. TRIPATHI: Mr. Feldmeier, I'll defer that to  
13 Director Mendez.

14               MR. MENDEZ: Mr. Chairman, we are still looking  
15 at all the recommendations. Not only is your  
16 recommendation one of the items that we've heard  
17 throughout the process, but there's other input we  
18 received from others.

19               CHAIRMAN SCHORR: I'm afraid I can't -- is that  
20 Victor?

21               MR. MENDEZ: Yes. Good morning, Si, Mr.  
22 Chairman.

23               CHAIRMAN SCHORR: I can't hear clearly at all.

24               MR. MENDEZ: Okay.

25               MR. FELDMEIER: You want to come over here?

1 MR. MENDEZ: Sure. I guess.

2 MR. FELDMEIER: Hang on a second. He's going to  
3 come a little closer to the phone mic.

4 MR. MENDEZ: Okay. Let me find the mic here.  
5 Si, can you hear me better here?

6 CHAIRMAN SCHORR: Much better. Thank you.

7 MR. MENDEZ: Good. I guess the question was the  
8 recommendation last month from Board Member Feldmeier  
9 with regard to one of the items, I guess on the 13 other  
10 counties, and could we reallocate funding from one  
11 project to other counties some way somehow, and what's  
12 the status of that recommendation.

13 And we're working on that along with some  
14 of the other input that we've heard through the process,  
15 the public hearing process. And it's my sense that  
16 probably next month when we go through the -- I think  
17 we're going to have a status session the Thursday before  
18 the Flagstaff meeting is to kind of outline at least at  
19 that point in time what we've heard.

20 Now, understanding that in the Flagstaff  
21 meeting we're also going to be hearing more public  
22 input. At some point we need to step back and take a  
23 big picture view of all the input that we've received,  
24 and then we'll make final recommendations to the Board.  
25 But we are looking at all the issues right now.



1 MR. TRIPATHI: And Mr. Chairman, one of the  
2 things is that the slide that showed that there was only  
3 \$82 million for the fifth year of the program, that is  
4 pretty telling. In future when that part goes really  
5 small -- maybe we can do some projects right now. But  
6 in the future, with the system preservation needs and  
7 with the funding situation the way it is, we may not  
8 have many projects to do anywhere. So, you know -- and  
9 so that's --

10 MR. FELDMEIER: Right. And just for purposes of  
11 clarification, I think that's important for us all to  
12 recognize. And I'm looking at the audience when I say  
13 that. But my request isn't to add to the 82 million.  
14 It's to distribute 21 million of that to other counties.  
15 That's all I have for now.

16 MR. TRIPATHI: Thank you.

17 MR. FELDMEIER: I would presume then that that  
18 concludes this portion of the meeting as it relates to  
19 the public hearing unless there are other questions.  
20 Unless specifically from the public, Mr. Chairman -- I'm  
21 kind of inserting myself on this -- for folks who want  
22 to ask questions as it relates to the presentations on  
23 the five-year plan. Now, that doesn't mean that you're  
24 not going to have an opportunity to talk to the Board as  
25 it relates to the regular agenda and assist in

1 participation as relates to that. But as it  
2 specifically relates to the five-year plan, is there  
3 anyone here who signed up to talk about the five-year  
4 plan?

5 Okay. Well, here we go. Let's start right  
6 here in front then. Mr. Chairman?

7 CHAIRMAN SCHORR: Sure.

8 MR. FELDMEIER: I'm kind of usurping your  
9 authority here. I presume that's okay since we're at a  
10 distance. Jodi.

11 MS. LUNDSTROM: Hello?

12 MR. FELDMEIER: Good morning.

13 Yes. Is that you, Bobbie?

14 MS. LUNDSTROM: I'm having trouble hearing you.

15 MR. FELDMEIER: Okay. How about now?

16 MS. LUNDSTROM: Now it's better. Thank you.

17 MR. FELDMEIER: Okay. You're just going to have  
18 to get real close to the microphone. Jodi, would you go  
19 ahead and introduce yourself and tell us where you're  
20 from.

21 MS. JODI ROONEY: Thank you, Mr. Feldmeier.

22 Chair Si Schorr, I appreciate your time  
23 today and our other Board members as well. I'm Jodi  
24 Rooney, the administrator of the CYMPO up in the  
25 Prescott area, just a hop, skip, and a jump from the

1 Phoenix area.

2 What I'm bringing to the board today in  
3 regards to the five-year program, since we're in public  
4 process, we have an interchange we just completed on  
5 89A, and we're very grateful to have that done. That's  
6 the 89-89A interchange.

7 I'd like to bring forward the Viewpoint  
8 traffic interchange. This is interchange that we  
9 anticipate to be around \$6 million. Presently, there is  
10 no money at this time in the ADOT five-year program.  
11 What is unique about this interchange is that CYMPO has  
12 put in surface transportation dollars to forward this  
13 particular interchange. So I know that this Board looks  
14 forward to projects where entities stepped to the plate,  
15 and CYMPO has stepped the plate to put up the money for  
16 this interchange.

17 Now, this has already been through the DCR  
18 process, utilities, environmental, right-of-way. And I  
19 know that this Board looks forward to those  
20 partnerships. So I ask that you would give  
21 consideration possibly to reallocation of some project  
22 maybe that is in our district already so that we can  
23 move this project forward. And we thank you very much.

24 MR. FELDMER: Okay. And then let me just ask a  
25 question as it relates to that one. When the Board

1 members received their snapshot view of the tentative  
2 five-year plan, this was one of the questions that was  
3 brought up when the staff folks reviewed this tentative  
4 plan with me. And it was during that discussion that  
5 the former planning director recommended that, because  
6 there were partnership moneys coming in outside ADOT's  
7 funds, that it would be viewed as a partnership similar  
8 to the way ADOT has looked at other partnership moneys  
9 in the past and moved projects like that right to the  
10 top or as close to the top as it can be as it relates to  
11 preparing for those projects.

12 And I know -- today is an example -- and at  
13 least every month that we have a regular meeting and we  
14 approve projects that are new projects that come forward  
15 that were not part of the five-year plan that, because  
16 of partnership money, they come to the top, as they  
17 should. And I just wanted to make sure that we stayed  
18 on track with that philosophy and follow through with  
19 those things that we have done in the past for  
20 partnership money.

21 MR. ZUBIA: Okay. Anyone else on the public  
22 hearing aspect?

23 MR. MIKE LEIGHTEN: Oh, I'm sorry.

24 MR. FELDMEIER: Okay. Public hearing related to  
25 the five-year plan? Yes, sir.

1 MR. MIKE LEIGHTEN: I do have a point to make.

2 MR. FELDMEIER: Have you filled out a card?

3 MR. MIKE LEIGHTEN: Yes.

4 MR. FELDMEIER: Go ahead. Come on up here,  
5 please, and make sure you give us your name.

6 MR. MIKE LEIGHTEN: All right.

7 MR. FELDMEIER: And we'll cross-check it for the  
8 public record and the sign-in.

9 MR. MIKE LEIGHTEN: Board members, my name is  
10 Mike Leighten. I'm the city manager in the City of  
11 Wilcox. I'm here today to request some funding within  
12 this five-year plan for a master plan study of our  
13 airport, Wilcox Airport.

14 The airport is owned by Cochise County. We  
15 have been in negotiation with Cochise County now for a  
16 couple of months to see about getting the airport  
17 conveyed to the City of Wilcox. We view it as an asset,  
18 I believe, more than the county does.

19 We have submitted paperwork yesterday,  
20 realizing that we are a little bit late with this. We  
21 didn't know that we should do it until about a week ago.  
22 And were advised by ADOT Aeronautics to bring this  
23 forward. We've submitted a letter yesterday and will  
24 follow it up with more information.

25 But what we're asking for is \$200,000 to go

1 ahead and conduct an updated master plan study for that  
2 airport. Our last one was done in '97. We've got some  
3 opportunities that have come forth very recently. But  
4 the plan needs to be updated for those opportunities to  
5 be taken advantage of. And so we're respectfully asking  
6 for that today and, hopefully, can get into the 2009  
7 funding stream.

8           Again, you should have a letter somewhere  
9 that we submitted jointly between the city -- County of  
10 Cochise and the City of Wilcox. If there are any  
11 questions, I would certainly be willing to answer those.

12           MR. FELDMEIER: I just have one quick question,  
13 Mr. Chairman. As a part of what we're doing, then that  
14 request will be part of the requests that are tallied  
15 during the public hearing process, and we'll calibrate  
16 that with the others and make a decision at the end of  
17 the budget year for the next five-year plan.

18           MR. MIKE LEIGHTEN: Okay. That's all we could --

19           MR. FELDMEIER: Thank you.

20           MR. MIKE LEIGHTEN: Thank you very much.

21           MR. FELDMEIER: Who else had their hand up? Yes,  
22 sir. You haven't filled out a form yet?

23           MR. BRYAN PATTERSON: It's actually for the Town  
24 of Wellton. The mayor isn't here.

25           MR. FELDMEIER: So come on up and give us your

1 name and all. But before you leave, be sure and fill  
2 out the forms that we have there.

3 MR. MENDEZ: We have the Maynards. Are you  
4 speaking on behalf of the Maynards?

5 MR. BRYAN PATTERSON: He could not attend today,  
6 so he asked me to speak.

7 MR. MENDEZ: Okay.

8 MR. FELDMEIERS: And you're going to need to get  
9 real close to that microphone.

10 MR. BRYAN PATTERSON: Good morning, Chairman,  
11 members of the Board. My name is Bryan Patterson. I'm  
12 a consultant working with the Town of Wellton. I'm  
13 actually here speaking today on behalf of the mayor of  
14 the Town of Wellton. Unfortunately, the mayor was not  
15 able to attend today. He had planned to be here to  
16 present these comments in person. We do have a letter  
17 that he sent in, and we have a copy of that with you  
18 today. We also have the town manager of Wellton here  
19 today along with the public works director in support of  
20 these project requests for the five-year program.

21 Thank you very much for the opportunity to  
22 speak here today. We'd like to talk about three  
23 transportation issues that are vitally important to the  
24 Town of Wellton, one of which is a specific programming  
25 request. For those of you who may not have had the

1 opportunity to visit Wellton, Wellton is a rapidly  
2 growing community with possibly 2,500 residents located  
3 about 30 miles east of Yuma just off of Interstate 8.

4           The mayor sent a letter to the Board  
5 members that describes Wellton's transportation issues  
6 in great detail, and I'd like to briefly summarize those  
7 for you.

8           First, a compliment. And I know you quite  
9 often hear complaints and not always the compliments  
10 that are so well deserved. One compliment they wanted  
11 to pass on from Wellton is feedback on the recent  
12 rehabilitation work that was done on Interstate 8 at the  
13 Avenue 29-E interchange. These were critical  
14 transportation facilities in the Wellton area, and the  
15 town really appreciates the investment that ADOT made in  
16 keeping those facilities in good repair. It's a very  
17 well-done improvement.

18           Looking into the future, there are three  
19 areas where Wellton is looking for ADOT's assistance.  
20 One is the preparation of a long-range transportation  
21 master plan financing strategy. Second is  
22 reconstruction of the I-8 and Avenue 29-E interchange.  
23 And third is the construction of a railroad grade  
24 separation to link central Wellton to areas of new  
25 development.



1                   Just a brief description of the each the  
2 three, first on the master plan. We understand that the  
3 ADOT planning division staff is about to launch a new  
4 program to provide planning assistance to rural areas  
5 throughout the state, and that's known as the PARA  
6 Program. This type of planning assistance is exactly  
7 what Wellton needs to prepare for the next wave of  
8 development. It will set the stage for future  
9 partnerships among ADOT, Wellton, and the development  
10 community. Wellton has already started to assemble  
11 anticipated application materials and are hopeful that  
12 the ADOT staff and Board will give the application  
13 favorable consideration.

14                   Wellton fully expects that a close look at  
15 their transportation future will show the important  
16 answer of efficient access to Interstate 8. There is  
17 need already to reconstruct the I-8 interchange at  
18 Avenue 29-E. It's over 40 years old and does not meet  
19 current design and aesthetic requirements. We know that  
20 reconstructing an interstate interchange can be a  
21 lengthy process, and the first step in the process is  
22 the preparation of a design concept report.

23                   MR. FELDMER: You're going to need to get --  
24 yeah.

25                   MR. BRYAN PATTERSON: Sorry. We urge the Board

1 to include funding in fiscal year 2008-2009 of the ADOT  
2 construction program to perform this design concept  
3 report. The report could be prepared in parallel under  
4 a broader -- in parallel with a broader long-range  
5 transportation planning study under the PARA Program.

6 Finally, Wellton is looking for your help  
7 in identifying potential funding sources and supporting  
8 Wellton's effort to construct a railroad overpass in the  
9 Wellton area. The original Wellton downtown where many  
10 of the public safety, medical, educational, government,  
11 and business services are located is on the north side  
12 the railroad tracks. Interstate 8 and areas of  
13 significant new development such as Coyote Wash are  
14 located south of the railroad tracks. The existing F8  
15 railroad crossing on Avenue 29-E already meets Federal  
16 Highway Administration crossing warrants for the grade  
17 separation. With the development tracking currently  
18 under way, we'll see a dramatic increase in traffic  
19 through the community, and a grade separation will be  
20 critically needed.

21 Wellton is currently involved in the  
22 preparing a preliminary concept report for a grade  
23 separation. The cost of the grade separation will  
24 likely be in the range of \$20 to 25 million, far in  
25 excess of Wellton's funding capabilities. Wellton will

1 be exploiting all potential partnership opportunities  
2 for this project and asks for any assistance that ADOT  
3 can provide in this endeavor.

4           Again, thank you for the opportunity to  
5 speak to you today. We commend ADOT for the work you're  
6 doing throughout the state and look forward to working  
7 with ADOT on transportation issues that will shape  
8 Wellton's future. Thank you very much. And do I have  
9 the letter with me today.

10           MR. FELDMEIER: Okay. Great. And I also see  
11 from the Town of Wellton Rodney Rinehart is here. It's  
12 noted. You don't wish to speak, but we've got you, and  
13 we know you're here.

14           All right. And Mike Willett.

15           MR. MIKE WILLETT: Mr. Chairman and members of  
16 the Board, Mike Willett, Assistant Public Works Director  
17 for Yavapai County. On behalf of the Board of  
18 Supervisors from Yavapai County, I would like to comment  
19 on the recommendations in the five-year plan.

20           Yavapai County has a great working  
21 relationship with Mr. Dallas Hammit in the Prescott  
22 District. As you know, Yavapai County and the Prescott  
23 District recently won an ADOT partnering award for  
24 coordination efforts. We'd like you to know that we  
25 fully support the recommendations that are in the

1 five-year plan with regard to Yavapai County and would  
2 like your consideration to include the Viewpoint  
3 interchange. Thank you.

4 MR. FELDMER: Thank you, Mike.

5 That looks like that's it.

6 MR. MENDEZ: I think there's another one, Richard  
7 Lunt. Maybe he went back to the restroom.

8 MR. FELDMER: Okay. Richard Lunt? Where are  
9 you at? Did you have comments relating to the  
10 five-year?

11 MR. RICHARD LUNT: Yes. Richard Lunt, Board of  
12 Supervisors, Greenlee County.

13 First of all, I would personally like to  
14 thank Mr. Chairman and Board members. The construction  
15 of the -- on U.S. 191, the Guthrie Bridge. After 16  
16 years of planning, that is finally under construction,  
17 and --

18 MR. FELDMER: 16 years, huh? I was still in my  
19 forties.

20 MR. RICHARD LUNT: Yes. And it's unbelievable,  
21 you know, how much safer that will make the road coming  
22 in. As you know, we have the largest mine in the  
23 continental United States there. And they are under new  
24 ownership, and they plan to increase the production from  
25 about 8 million tons to 1.1 million tons of ore daily.

1 They will increase the work force from 500 to 600 more  
2 people coming into the county. And that brings a great  
3 demand on the transportation crews to bring supplies  
4 into the mine and also haul the copper out.

5 We also notice that in the five-year plan  
6 that Greenlee County has no funds coming into the  
7 county. As you know, we have -- the Continental Trail  
8 is a national scenic byway. And historically, the Board  
9 has passed -- has provided \$200,000 annually to the  
10 local forest account, which was used for seed money for  
11 improvements. In partnership efforts with the Forest  
12 Service, this money has been used to make substantial  
13 improvements. And we ask the Board to continue local  
14 forest accounts and efforts. As we say, that is one of  
15 the national scenic byways and only one of two in the  
16 State of Arizona.

17 And once again, we appreciate the efforts  
18 of the Board, and we would appreciate consideration of  
19 these. Thank you.

20 MR. FELDMEIER: Thank you. Okay. That  
21 concludes, at least from the requests to speak, folks  
22 that wanted to address us as it relates to the five-year  
23 plan and all those arenas that that encumbers. With  
24 that then, Mr. Chairman, we can dispense with the public  
25 hearing portion of this meeting and move on into the

1 regular meeting.

2 CHAIRMAN SCHORR: Thank you.

3 MR. FELDMEIER: It's all yours. Or do you want  
4 us to keep going like we have?

5 CHAIRMAN SCHORR: The next item on the agenda is  
6 what then?

7 MR. FELDMEIER: The director's report. I missed  
8 1. Sorry. I always start at 2. We have item Number 1,  
9 Bring forward items not to be included in the consent  
10 agenda. And these are items that have been recommended  
11 by ADOT staff for further discussion and possible action  
12 by the Board. Is there anything that we have as its  
13 relates to that by any of the Board members, staff  
14 folks? Okay.

15 CHAIRMAN SCHORR: Is there anything that falls  
16 within that item?

17 MR. MENDEZ: Mr. Chairman, nobody here seems to  
18 think so.

19 CHAIRMAN SCHORR: Why don't we proceed with Item  
20 Number 2, the director's report.

21 MR. MENDEZ: Okay. Thank you very much and good  
22 morning again. I have just one item that I wanted to  
23 inform the Board about. Late yesterday afternoon around  
24 5:00 p.m. or so, we did release the preliminary critical  
25 needs report. As you're aware, it's an effort we've

1 undertaken since, I want to say, last September of '07  
2 in coordination with the MPO's, COG's, and ADOT, of  
3 course, to take a look at identifying what will be  
4 critical needs between now and through the year 2030.

5 And so last night we did release the  
6 preliminary report. And I believe we did send copies to  
7 all the Board members, and so you should have received  
8 that last night. What I think is important to keep in  
9 mind about the report is that it does provide a listing  
10 of representative needs throughout the entire state.  
11 It's not necessarily -- I want to caution people that  
12 it's not a plan. It just basically identifies what was  
13 discussed throughout the various meetings, many, many  
14 meetings, in terms of representative needs.

15 There were four major categories identified  
16 within the report. And so we looked at strategic  
17 highway projects. Second item was strategic rail and  
18 transit projects and programs. The third item was local  
19 mobility projects, in other words, the local systems.  
20 And then fourth project was identified as transportation  
21 enhancements and walkable communities. So those were  
22 the categories, if you will, or buckets that were  
23 identified.

24 The only other thing I did want to point  
25 out with respect to the report itself is just a

1 reminder, I guess, about what the guiding principles  
2 were when we undertook the effort. Because we believe  
3 there were certain underlying issues that were important  
4 to any effort in terms of identifying needs throughout  
5 the state and, you know, how do you go about doing this?

6 And so I just wanted to remind the Board  
7 that the guiding principles -- there were several. We  
8 wanted to be looking at a multimodal approach. You  
9 know, the world's changing on us, and not everybody will  
10 be traveling by car. And so it's important for us to  
11 provide other modes or options for our citizens now and  
12 into the future.

13 Another of the principles was the issue of  
14 tribal -- you know, bringing the tribes to the table and  
15 actively engage them into the discussion about  
16 transportation. Clearly, they have some unique needs,  
17 and so we wanted to insure that those needs are heard.

18 A lot of discussion about smart growth  
19 concepts or principles, if you will and how does  
20 transportation actually affect how the State is growing  
21 and vice versa. I mean, how the State grows actually,  
22 as you're aware, will affect the performance of our  
23 transportation system. So that's another item we wanted  
24 to look at.

25 We certainly wanted to insure that this is



1 a statewide collaboration, that it wasn't driven solely  
2 by ADOT or solely by the local communities, but it was a  
3 collaborative effort on the part of everyone.

4 And then, finally, we did take a real good  
5 hard look at conservation concepts, land conservation,  
6 environmental issues, wildlife issues that we hear about  
7 and that I'm sure you've heard about in your different  
8 districts with regard to the impact that transportation  
9 has on the environment and not only the fact that we do  
10 mitigate per the NEPA process, as you're aware. But  
11 there are other impacts that people have been concerned  
12 about, and so we took those into consideration.

13 So with that, I just would like to, you  
14 know, ask the Board to, you know, review the package.  
15 It's actually fairly extensive, but very interesting.  
16 And it's interesting to hear from different  
17 perspectives. You know, if you look at the listing,  
18 you'll see that we also included representative projects  
19 with the local communities identified at the local  
20 level, you know, at their local transportation system,  
21 some of the needs that are there. So it's not just at  
22 State level, but all the way down to the local level.  
23 And so it's a pretty massive list of needs, as you might  
24 imagine, that we identified.

25 So with that, I would entertain any

1 questions you may have.

2 CHAIRMAN SCHORR: Any questions or comments?

3 MR. ZUBIA: I have a question, Victor. Some of  
4 this, you know, I already know. But just for  
5 clarification, if I could, for those in the audience.  
6 What was the purpose of the report again? If I remember  
7 correctly, you were directed by the Governor to really  
8 just go around the state to find out what are some of  
9 the needs that need to be met out there? Is that  
10 accurate?

11 MR. MENDEZ: Yeah. Let me expand a little bit on  
12 that. As you're aware, we've all agreed collectively on  
13 a statewide basis to undertake a framework study. And  
14 that's an effort that will culminate, I believe, April  
15 of next year. And if you recall the process, we would  
16 go and do framework studies on a regional basis and then  
17 compile everything through some planning process to  
18 create a long-range statewide transportation plan.

19 However, the Governor did, in fact, want to  
20 know what are the critical needs. You know, a lot of us  
21 have been in transportation for a long time, are  
22 professional planners and such. We've been planning and  
23 studying various corridors and areas of the state. And  
24 so the Governor wanted to know what are the critical  
25 needs as you know them now. And so we agreed that by

1 the end of March, early April we would provide a list of  
2 critical needs. And this is basically in response to  
3 that.

4 MR. ZUBIA: And what do you expect to happen to  
5 this report? What's the intent for the report to do?

6 MR. MENDEZ: Well, now, several elements to that,  
7 I think most of us are aware here that have been working  
8 in transportation. There is an effort by the TIME  
9 Coalition, a private sector coalition, if you will,  
10 looking to run an initiative, a valid initiative, in  
11 November of this year to see how we might be able on a  
12 statewide basis to fund some of the more critical  
13 transportation needs that have been identified now.

14 And just one more thing to expand so that  
15 people in the audience understand, because we get this  
16 question a lot. What's going to happen with the  
17 statewide framework studies? Those will continue, I  
18 think, of course, for us to continue to plan for the  
19 future. And I'm sure the framework studies in seven  
20 years will take a look again, six, seven years, because  
21 the world will have changed. So we'll need to replan  
22 some of that. But the Governor wanted to know now what  
23 are the critical needs that we might be able to address  
24 now.

25 MR. ZUBIA: Okay. And if I could just -- if I

1 can add a little commentary to that, and you can either  
2 agree or disagree or add any more specifics to it. But  
3 in the report here, there is a list of what's being  
4 called representative projects. It's my understanding  
5 that those are simply just representative, kind of a  
6 baseline to find out if some of these projects were to  
7 happen, what would they generally cost and so what  
8 generally would be the need out there for additional  
9 transportation dollars. And, again, it's my  
10 understanding that the representative projects that are  
11 shown in there aren't necessarily a dictate from this  
12 Board or the Department that those are what's going to  
13 get funded. If there is funding that's available at the  
14 end of the day, then it would be up to the normal  
15 process to proceed in order to identify which projects  
16 particularly get funded. Is that an accurate statement?

17 MR. MENDEZ: Yeah. I would say yeah. Fairly  
18 accurate. I think just one caveat that as far as, like  
19 you said, coming down to the final list of critical  
20 needs, should there be funding available, that process  
21 will be undertaken in the next couple of months. You  
22 don't want to wait until November 5, for example --

23 MR. ZUBIA: Of course.

24 MR. MENDEZ: -- to identify it.

25 MR. ZUBIA: Right. Okay. That was all for

1 clarification.

2 CHAIRMAN SCHORR: Is there any other questions or  
3 comments? I would like to add --

4 MR. FELDMEIER: Mr. Chairman, there is one person  
5 who has responded to that.

6 MR. MENDEZ: I don't know if we can do that.

7 MR. ZUBIA: Yeah.

8 CHAIRMAN SCHORR: I would like to add my comment  
9 to the report after the effort which has gone into it.  
10 I think the director and the staff should be  
11 congratulated for doing what I think is a Herculean job  
12 of carrying out, you know, a mission. And I have not  
13 read every word of the report. I have been reading it  
14 since last evening. And I think it's a great effort.  
15 And the staff is to be congratulated for its work on it.

16 MR. ZUBIA: Thank you, Mr. Chairman.

17 Jack, I know you raised your hand. I think  
18 you can save your comments for the public comment  
19 period. I think that will be appropriate.

20 MR. FELDMEIER: I'm sorry. I missed that. If  
21 folks want to comment, they can do that as a part of the  
22 comment segment?

23 MR. ZUBIA: Yes.

24 MR. FELDMEIER: Yes. Okay. All right.

25 CHAIRMAN SCHORR: What is the next item on the

1 agenda then?

2 MR. FELDMEIER: We should do that.

3 MR. ZUBIA: We're at legislative report.

4 MR. TRAVIS: Kevin is on the line.

5 MR. BIESTY: Thank you, Mr. Chairman. Can you  
6 hear me?

7 CHAIRMAN SCHORR: Is that you, Kevin?

8 MR. BIESTY: Yes, it is. If you can hear me.

9 CHAIRMAN SCHORR: I can.

10 MR. BIESTY: Okay. Great. Members of the Board,  
11 you probably received two handouts by now. One was the  
12 State, and one was the federal. In the interest of  
13 time, I'll quickly go through the state one first.

14 As you probably heard by now, the  
15 legislature worked last night and passed a fix for the  
16 '08 budget shortfall. And that was sent to the Governor  
17 this morning. That's fix is a combination of a shift  
18 from the Rainy Day Fund, cuts to Asian spending, a  
19 rollover of K-12 education to next year, and a series of  
20 fund sweeps. We'll be putting together a list of effect  
21 to ADOT and transportation, and will send that out  
22 shortly. So now the big heavy lifting part as far as  
23 trying to address the '09 budget shortfall. We'll  
24 probably work on that next week, or continue to  
25 discussion, I should say.

1                   Now on to some of the bills. I just want  
2 to kind of briefly touch on -- one of the things that  
3 will be going on, as you're aware, is the public  
4 partnership bills. A series of -- the only one that got  
5 out of the Senate -- there was three of them. The only  
6 one that got out of the Senate that helped was Senator  
7 Tibshraeny's polling districts bill. Now, on your  
8 sheet, you'll note that there are two bills, one on page  
9 2, and that is Senate Bill 14 -- I'm sorry -- 1027.  
10 That is really a toll bill. That's a municipal tax  
11 incentive. But, unfortunately, the tracking system  
12 would have the updated language of that. But that is  
13 now the Senator Tibshraeny bill.

14                   And it's -- going to the next page, fourth  
15 on that page -- I believe that's page 2 -- the Home  
16 Loans Bill. That is now the Senator Gorman bill.

17                   Now, there's also another public-private  
18 partnership bill, 1507, which dealt with aviation  
19 radiation fund. A public-private partnership clause was  
20 added to that one. So we'll be keeping an eye on that  
21 one and evaluating that one as well.

22                   Now, the two bills, the Tibshraeny bill and  
23 the Gorman bill, are in the House, and debate has been  
24 further referred to the Transportation Committee, and  
25 the committee is no longer meeting. So those are going

1 to be skipped until we get to those.

2 The 1507 one, however, is awaiting the  
3 House Appropriations Committee. The House  
4 Appropriations are continuing to meet, so there is a  
5 chance that that one will get a hearing.

6 CHAIRMAN SCHORR: And 1507 again is what?

7 MR. BIESTY: That is the State Aviation Bill.  
8 That was the bill that was originally introduced to deal  
9 with the cap on the State Aviation Fund to clarify as to  
10 further change the cap. But that's been further amended  
11 now to include -- to have that teeth, but also have a  
12 proposal view that was brought forward. I believe it  
13 was brought forward by Representative Biggs. So that  
14 one could possibly get a hearing with the Appropriations  
15 Committee in the next week or two.

16 So I think that we -- as far as  
17 public-private partnerships go, there is currently one  
18 bill that has a better chance of moving forward or at  
19 least getting approved. Are there any questions that I  
20 can answer on that?

21 Okay. If not, again, we have a list of --  
22 what I have done is I have gotten rid of some of the  
23 bills that really aren't going to go further. That's  
24 why the list looks shorter. I do want to point out one  
25 bill that was signed by the Governor, and that's on page



1 2. It's 1473, the Logo Sign Program, ADOT. Part of the  
2 bill is technical. It adds 24-hour pharmacies to the  
3 list of signs that can advertise. I do want to point  
4 out that the Department will now have the ability to put  
5 that logo sign program out to bid in 2010 to have it  
6 ready to share an agreement with third parties. Many  
7 states have moved to that. So that's a big plus. They  
8 will now be receiving the money for that program.

9 Okay. If there are no more questions on  
10 the State, I'll move quickly to the federal. Not a  
11 whole lot of changes since the last update. The only  
12 thing I would like to point out is they include  
13 technical corrections bills. HR 1195. The Senate had  
14 it yesterday. That will also go to Conference  
15 Committee.

16 Now, there's been a lot of talk about  
17 Senator McCain's federal gas tax amendment. That's been  
18 pulled, so that's not part of the bill.

19 That's all I have. I'd be happy to answer  
20 any questions.

21 CHAIRMAN SCHORR: Are there any questions or  
22 comments on Kevin's presentation? Hearing none, let's  
23 move on to the next item and thank Kevin for his report.

24 MR. BIESTY: Thank you.

25 CHAIRMAN SCHORR: Have a great day. I think the

1 next item is Item 4, Financial Report.

2 MR. McGEE: Thank you, Mr. Chairman, members of  
3 the board. For the record, my name is John McGee, and  
4 I'm the Chief Financial Officer for ADOT. I will be  
5 addressing Agenda Items Number 4, 5, and 6 today.

6 Agenda Item Number 4 is a report on our  
7 various revenues and the HELP Fund. We have -- March  
8 HURF collections were reported during the last month  
9 since we last met. Unfortunately, they didn't look very  
10 good for the month of March. Total HURF collections  
11 were approximately \$115.5 million. That was 8.1 percent  
12 below last year and 8.8 percent below our forecast.  
13 Year-to-date collections now stand at 1 billion 7.6  
14 million. And that is 1.6 percent below last year and  
15 5.4 percent below our forecast.

16 Every category of HURF continues to show a  
17 negative variance from forecast, and every category  
18 except for the Other continues to show a negative  
19 variance from last year. If the last three months of  
20 the year perform at the same rate as the first nine  
21 months compared to FY 2007, FY 2008 total collections  
22 will reach approximately 1.36 billion. That will be  
23 about 22 million less than last year and about 80  
24 million less than the forecast.

25 Moving to the regional area road fund

1 collections, we have February's results. During the  
2 month of February, collections totaled 29.15 million.  
3 That was 8.3 percent below last year and 11.6 percent  
4 below the forecast. Year-to-date collections now stand  
5 at 255.9 million, which is 2.3 percent below last year  
6 and 5.1 percent below the forecast.

7 As with the HURF, every category of the  
8 market is performing below forecast. Three categories,  
9 retail sales, contracting, and to a very lesser extent  
10 restaurant and bar, are performing below last year. If  
11 the final four months of RARF collections show the same  
12 2.3 percent negative variance that we've seen in the  
13 first eight months of the year, collections will total  
14 about \$383 million for the entire year. This would be  
15 about \$9 million below last year and \$25 million below  
16 the forecast. And I would also hasten to add this would  
17 be -- if this trend continues and we do end up this  
18 year's collections under last year, it will be the first  
19 year since the implementation of the half cent sales tax  
20 back in 1985 that that would have happened and, on an  
21 imputed basis, would be the first year that that would  
22 have happened going all the way back to 1960.

23 Moving to our investment report, for the  
24 month of March, interest income totaled 4.998 million,  
25 representing an average yield of 3.62 percent.

1 Year-to-date income, investment income, now stands at  
2 45.9 million, representing an average yield of 4.46  
3 percent.

4 And finally moving to the HELP Fund, as of  
5 March 31, the balance of the HELP Fund was about 119.2  
6 million. This was up approximately 9.4 million over  
7 last month as a result of 9.2 million in principal  
8 repayments, 600,000 of interest income, and that was  
9 offset by about 400,000 of new loan draws.

10 So I would be happy to answer any questions  
11 with respect to Agenda Item Number 4.

12 CHAIRMAN SCHORR: Any questions or comments?

13 MR. ZUBIA: John, very good again, as usual. I  
14 appreciate moreover this time the brevity.

15 But getting to, I guess, a real quick easy  
16 question, am I understanding these revenue trends  
17 correctly? I understand, of course, they're negative,  
18 and we haven't been capturing as much as we expected.  
19 But I looked at the HURF revenues and the RARF  
20 revenues -- that would be Maricopa County -- and it  
21 looks to me like Maricopa County is doing worse than the  
22 overall state. Is that an accurate read of these two?  
23 It looks like Maricopa County is down a total of 2.3  
24 percent around the State is down a total of 1.6.

25 MR. MCGEE: Mr. Chairman, Mr. Zubia, what you

1 stated is true. The HURF is down 1.6 percent, and that  
2 is a series of statewide taxes, versus the RARF, which  
3 is down 2.3 percent, which is solely an excise tax or  
4 sales tax here in Maricopa County. But I would -- to  
5 say that Maricopa County is doing worse than the rest of  
6 the State wouldn't necessarily be a true statement  
7 because they're two totally different taxes on two  
8 totally different sets of activities, taxable  
9 activities.

10 What would be more revealing would be to  
11 see -- would be to compare Maricopa County's half cent  
12 sales tax collections with the State TPT, transaction  
13 privilege tax numbers. The last time we looked at  
14 those, they were pretty close, which indicated that  
15 Maricopa County and the rest of the state, that the  
16 downturn in taxable activities related to TPT was pretty  
17 close between Maricopa and the rest of the State.

18 MR. ZUBIA: I appreciate the clarification there  
19 helping me understand that. Does it -- just from a -- I  
20 guess a -- just for my edification, could I take a look  
21 or can I ask you to take a look at that again just to  
22 find out exactly how the two compare?

23 MR. MCGEE: Sure. I'd be happy to do that.

24 MR. TRAVIS: Mr. Chairman, Mr. Zubia, Mr. McGee  
25 plans to do a broader presentation on bonds and/or cash

1 flow at the May board meeting in a study session.

2 MR. ZUBIA: Okay. Great. Thank you, John.

3 MR. McGEE: If there are no other questions, then  
4 I would like to move forward to Agenda Item Number 5. I  
5 have one item under Agenda Item Number 5, and that's  
6 relative to the Board's anticipated issuance of highway  
7 revenue bonds, Series 2008A. For those Board members  
8 who are in the audience, I have included -- or who are  
9 physically present here, I have included in your packet  
10 of materials some summary information on the 2008A  
11 issuance, HURF issuance, which I will go through very,  
12 very briefly.

13 As the Board is aware, the Board adopted a  
14 resolution a couple of months ago -- or maybe it was  
15 last month -- authorizing up to \$375 million of new  
16 money issuance under the 2008 HURF bond issuance. As I  
17 reported to the Board, we were going to look at and it  
18 would probably be our recommendation that we issue that  
19 in two tranches given the nature of the current market  
20 and given our current needs.

21 We've done some additional analysis on that  
22 since our last meeting, and we're going to be  
23 recommending that we go forward in this first tranche  
24 with an issue -- an estimated issue size of  
25 approximately \$200 million. We think that that will be

1 sufficient for our needs for the next several months and  
2 hopefully allow the market and market interest rates to  
3 settle down a little bit.

4           The maturity dates will be not to exceed 30  
5 years. We have not yet received our affirmation of  
6 ratings from Standard & Poor's and Moody's. We do not  
7 anticipate a change to those ratings, which are  
8 currently for our senior HURF debt rated triple A by  
9 Standard & Poor's and double A by Moody's. And based  
10 upon current market conditions, we anticipate this  
11 issuance to probably price between about 4.6 percent and  
12 4.9 percent, although, again, that's based upon today's  
13 interest rates, which can change over the next two or  
14 three weeks as we get ready to price. We do intend to  
15 price as of right now -- given a stable market,  
16 financial market, we are anticipating pricing the week  
17 of May 5.

18           Also at the last board meeting, the Board  
19 did designate a senior manager and four co-managers to  
20 lead the syndicate on this deal. The senior manager  
21 that was designated was CitiGroup, just for your  
22 reminder. The four co-managers were J. P. Morgan,  
23 Goldman Sachs, U. S. Financial Services, and Peacock,  
24 Hislop, Staley & Given.

25           As with all of our issues, we also form a

1 selling group, which are firms that are in the state  
2 pool but that do not have a managerial role. And what  
3 this does, it just broadens out the number of folks who  
4 can price -- or who can sell our bonds. They don't have  
5 liability in the deal. So if all the bonds don't get  
6 sold, they're not required to take them into inventory.  
7 But they are allowed to put in orders and often do so.

8               We are looking right now at finalizing the  
9 structure of this deal. We did include in your packet  
10 of materials sort of a representative structure that  
11 sort of shows how this -- how the principal and the  
12 interest on this deal would wrap around our current  
13 existing debt. Again, this is somewhat representative.  
14 The final structure will be determined probably within  
15 the next three or four days and will be driven by things  
16 such as interest rate differentials and some other  
17 factors.

18               Finally, I would indicate that, as I said  
19 before, we are pricing at a somewhat higher interest  
20 rate environment than we have priced deals in the last  
21 several years. In fact, the interest rate environment  
22 that we're pricing into right now would be the highest  
23 interest rate environment that we've priced a deal since  
24 2002. So -- and you have still on a relative basis to  
25 be able to model debt -- to be able to issue debt out as



1 long as 30 years at around five percent is still pretty  
2 attractive.

3 And, finally, just to report on the  
4 calendar of remaining events, as I mentioned, we do  
5 expect to receive our ratings on the bonds early next  
6 week. That will then allow us to print and distribute  
7 the preliminary official statement midweek to the end of  
8 the week. Given a stable financial environment --  
9 pricing environment, we would anticipate pricing the  
10 week of May 5. At the Board meeting in Flagstaff we'd  
11 report on the results of that pricing. And then we  
12 would anticipate closing the issue on or around May 21.

13 So I would be happy to answer any questions  
14 with respect to the upcoming 2008A HURF bond issues.

15 CHAIRMAN SCHORR: Any questions or comments of  
16 Mr. McGee?

17 MR. ZUBIA: I do have a quick question, Si.  
18 Hopefully, it's quick.

19 That dealing with the marketing team. Can  
20 you explain to me how the selling group works. Is there  
21 a requirement for a maximum amount each of them can  
22 sell, or is there a percentage that each of them are  
23 guaranteed a minimum to sell?

24 MR. MCGEE: Mr. Chairman, Mr. Zubia, no, there  
25 are no -- when you're a member of a selling group,

1 unlike the members of the syndicate -- maybe I should  
2 use a different term. "Syndicate" has kind of a bad  
3 connotation. But that's kind of what it's called in the  
4 business. The folks who are in the selling group  
5 essentially are there. They're given the opportunity to  
6 put in orders for bonds. And if there are bonds  
7 available, generally, after all the priority bonds have  
8 been placed, if there are still bonds available, then  
9 the selling group members get those bonds for issuance  
10 and would receive the commission on doing that.

11 But there is no liability then to them. We  
12 don't carve out any percentage to give to them. Because  
13 since they have no liability, you know, to give them a  
14 specific share would sort of be like saying, "Well,  
15 we're going to give you all this upside, but you have no  
16 downside. Only the members of the syndicate have the  
17 downside." So they're just given the opportunity to  
18 participate. Sometimes some of the firms do; sometimes  
19 some of them don't.

20 MR. ZUBIA: Okay. And then a follow-up question  
21 to that, the selling group, any of those members that  
22 sell our bonds, does who's selling them affect our bond  
23 rating?

24 MR. MCGEE: Mr. Chairman, Mr. Zubia, no. Our  
25 bond rating is not impacted at all by who we have

1 marketing --

2 MR. ZUBIA: Okay.

3 MR. MCGEE: -- and purchasing our bonds.

4 MR. ZUBIA: Well, that helps with me  
5 understanding the general questions then. And more  
6 specifically, I do note that one of the sellers in the  
7 group is Bear Stearns. Obviously, I need to you to go  
8 over with me in detail. That name kind of rings to a  
9 lot of people. What, if any, effect do they have on us  
10 generally and to the selling groups specifically?

11 MR. MCGEE: Mr. Chairman, interestingly enough,  
12 Bear Stearns, because of the nature of the agreement  
13 that they have -- that has been negotiated with J. P.  
14 Morgan, is actually senior managing some deals. In  
15 fact, some fairly large deals. Now, we -- because of  
16 the nature of what's going on with their business, we  
17 chose not to have them as part of the syndicate in this  
18 deal. But according to the last information that I saw  
19 in the "Bond Buyer," which is the trade publication,  
20 they are still actually senior managing a number of  
21 fairly large deals. And so they are still in business,  
22 and they are still selling bonds while they go through  
23 this potential sale to J. P. Morgan.

24 MR. ZUBIA: What, if any, effect would --

25 CHAIRMAN SCHORR: You're breaking up.

1 MR. ZUBIA: What, if any --

2 MS. LUNDSTROM: Hello.

3 MR. ZUBIA: Are you there? Hello?

4 CHAIRMAN SCHORR: We are.

5 MS. LUNDSTROM: Yeah. Okay. Now I can hear you.

6 CHAIRMAN SCHORR: This is Si. I didn't get a lot  
7 of what John's presentation was.

8 MR. ZUBIA: If I can summarize real quick, Si, I  
9 think what John is saying is that -- well, why don't I  
10 let John do that real quick.

11 MR. McGEE: Okay. The question had to do with  
12 the fact that we have included Bear Stearns in the  
13 selling group.

14 CHAIRMAN SCHORR: Would it be possible for John  
15 to use Felipe's mic? Felipe's mic is much clearer and  
16 without any background noise.

17 MR. ZUBIA: My lap is free, John, if you care to  
18 use that.

19 MR. McGEE: I'll decline that.

20 Mr. Chairman, members of the Board, the  
21 question from Mr. Zubia was relative to the fact that we  
22 have included Bear Stearns in the selling group and what  
23 impact that might have on our ratings. My indication  
24 was that it has no bearing on our ratings and that Bear  
25 Stearns is still actually acting as a senior manager and

1 as a co-manager on a number of deals. They are still in  
2 business as they go through the sale process to J. P.  
3 Morgan.

4 CHAIRMAN SCHORR: Very good. Thank you. One  
5 other thing I missed, John, because the voice was  
6 cracking up a while. You talked about the interest rate  
7 environment. Can you just summarize that a little bit?

8 MR. MCGEE: Yes, Mr. Chairman. The interest rate  
9 environment, as you're aware, as I reported at a -- over  
10 the last couple of meetings, we saw a fairly significant  
11 spike in municipal rates about two, two and a half  
12 months ago. They went up probably about 75 basis points  
13 within about a two-to-three-week period, which is quite  
14 dramatic.

15 Since that time -- and as I also pointed  
16 out that they were significantly higher than treasury  
17 rates. Since we last met, municipal rates have been  
18 trending down. They're trading within a range that's  
19 probably anywhere from about 15 to 25 basis points from  
20 where they were before. And treasury rates have  
21 actually been going up.

22 CHAIRMAN SCHORR: Interesting. Thank you.

23 MR. ZUBIA: John, that addresses all my questions  
24 and concerns. Given the fact that there's no maximum,  
25 no minimum, and no obligation, I feel fairly comfortable

1 with your response. Appreciate that.

2 MR. MCGEE: Thank you.

3 CHAIRMAN SCHORR: Are there any further questions  
4 or comments of John? If not, I don't think any action  
5 is necessary. And I guess we could move on to the next  
6 item.

7 MR. MCGEE: Thank you, Mr. Chairman. Agenda item  
8 Number 6 is a resolution accepting -- and this  
9 information is in your mail-out packet -- is a  
10 resolution accepting and approving a HELP loan  
11 application from the City of Peoria and authorizing a  
12 loan repayment agreement for a \$9,910,000 HELP loan.

13 The loan would be used to accelerate the  
14 reconstruction of the interchange at Loop 101 on Union  
15 Hills Drive. The reconstruction will widen the TI to  
16 five lanes in each direction with two left-turn lanes in  
17 each direction included in that -- they included in  
18 that. The loan will fund both design and construction  
19 of the project and will have a four-year term.

20 The loan application was reviewed and  
21 received a unanimous vote of approval by the HELP  
22 Advisory Committee on December 6. However, because the  
23 project is part of the MAG tip, it also needed MAG  
24 approval, which it has now received. We would recommend  
25 approval of the loan and adoption of the resolution, and

1 I'd be happy to answer any questions.

2 MR. ZUBIA: John, if I could real quick, I'm  
3 usually not this high maintenance, but I guess I will be  
4 today. I'm not in a position to support this project at  
5 this time. I'll tell that you up front with the  
6 concerns that we have as I've noted before with revenue  
7 generation and so forth. What I'd -- couple of  
8 questions, though, if I could. I know --

9 MS. LUNDSTROM: You're breaking up. I can't hear  
10 you. You're not positioned why or you can't support  
11 why?

12 MR. ZUBIA: I'm on agenda item Number 6. Real  
13 quick, if I can understand the HELP Fund, that is a fund  
14 that is available statewide; is that correct?

15 MR. MCGEE: That is correct.

16 MR. ZUBIA: How is that funded, that fund?

17 MR. MCGEE: The HELP Fund is funded through a  
18 combination of state highway funds, federal funds, and  
19 what are known as board funding obligations, which are  
20 borrowings from the State Treasurer.

21 MR. ZUBIA: Okay. So those are all State funds  
22 then; is that correct?

23 MR. MCGEE: Except for the federal funds.

24 MR. ZUBIA: Except for the federal funds. So no  
25 local funds are used in this? Local, mean as in any

1 COG's, counties.

2 MR. MCGEE: Mr. Chairman, Mr. Zubia, there's also  
3 interest in the fund that has been earned over the  
4 years. Some of that interest came from the interest  
5 payments of locals on loans. But other than that, no,  
6 there's no local money.

7 MR. ZUBIA: What I'm saying is that, you know, my  
8 position to support this today, I would like some  
9 additional information. I would like to support it.  
10 But we discussed last month the long-term revenue  
11 generation for this fund. And at some point we may need  
12 to look at --

13 MR. MONTTOYA: Excuse me, Mr. Chairman. Someone  
14 is breathing into a mic or something, and I cannot hear  
15 what you're saying.

16 MR. ZUBIA: You're right, Mr. Montoya. I think  
17 it's actually someone on the phone.

18 MR. MONTTOYA: Is someone on a cell phone or has  
19 the receiver real close to their mouth or their nose?  
20 Sorry.

21 MR. FLORES: Mr. Chairman, Mr. Acting Chairman, I  
22 think it might be a good idea to ask if this matter  
23 could be continued. We are experiencing some difficulty  
24 in hearing Felipe now. I am myself. So --

25 MR. FELDMEIER: Mr. Chairman, I would move to



1 hold this until we meet again next month.

2 CHAIRMAN SCHORR: Is that acceptable, Felipe?

3 MR. ZUBIA: Yes, it's acceptable. And if I can  
4 ask for just some additional information on the HELP  
5 fund.

6 MR. MCGEE: Sure.

7 MR. ZUBIA: One other question. Are there any  
8 limits to what areas are requesting the funds, for  
9 instance, a limit based on the MAG, PAG, and TOC or  
10 where these funds go to?

11 MR. MCGEE: Mr. Chairman, Mr. Zubia, the Board  
12 has -- did a couple of years ago establish guidelines,  
13 guidelines only, for the distribution of HELP loans  
14 through, I believe it was, fiscal year 2010. And those  
15 guidelines were that approximately 37 percent of all  
16 loans -- dollar value of all loans be made in the  
17 Maricopa County region, 13 percent in the Pima County  
18 region, and 50 percent in the 13 other county region.  
19 That's not on a year-by-year basis. That would be  
20 cumulative. I believe it was for the period '06 through  
21 '10.

22 MR. ZUBIA: Okay. I appreciate that. And, in  
23 fact, I think there was a motion by Mr. Feldmeier. I'd  
24 like to second that motion to table this until our next  
25 meeting with a little bit more of the detail that you

1 just gave us today.

2 CHAIRMAN SCHORR: Any questions or comments? If  
3 not, I'll call the motion. All in favor say, "Aye."

4 (Whereupon, all responded "Aye.")

5 CHAIRMAN SCHORR: Any opposed? It is so ordered.  
6 The next item then is -- let's see. We get  
7 to the Priority Planning Advisory Committee actions, and  
8 those are Items 9 through 20.

9 MS. LUNDSTROM: Well, we need to approve the  
10 minutes.

11 CHAIRMAN SCHORR: Yes. The minutes approval, I  
12 believe, comes under the consent agenda.

13 MS. LUNDSTROM: Hold on one --

14 CHAIRMAN SCHORR: The items under Priority  
15 Planning Advisory Committee are 9 through 20. Is there  
16 any objection to considering all of these in one fell  
17 swoop? Director Victor, any reason why that cannot be  
18 done?

19 MR. MENDEZ: Mr. Chairman, you can do that if you  
20 like.

21 CHAIRMAN SCHORR: Is there any member of the --  
22 any Board members wish to consider any of those items  
23 individually? If not, then I would ask that the  
24 presentation be made on all of those items collectively  
25 so that we can take action on all collectively.

1 MR. TRIPATHI: Mr. Chairman, for the record, my  
2 name is Rakesh Tripathi. I'm the Division Director for  
3 the Planning Division. And I recommend approval for  
4 Items 9 through 20.

5 MR. FELDMER: Pending no questions from any  
6 Board members, Mr. Chairman, I would move for approval.

7 MR. ZUBIA: Second.

8 CHAIRMAN SCHORR: Motion has been made and  
9 seconded. Are there any questions? Comments? If not,  
10 all in favor say, "Aye."

11 (Whereupon, all responded "Aye.")

12 CHAIRMAN SCHORR: Any opposed? The motion is  
13 carried. So ordered.

14 MR. TRIPATHI: Thank you, Mr. Chairman.

15 CHAIRMAN SCHORR: We are now at Item Number 21  
16 and 22 dealing with airport issues.

17 MR. DICK: Thank you, Mr. Chairman. I'm Barclay  
18 Dick, Director of the Aeronautics Division.

19 We have one federal matching grant for the  
20 St. Johns Industrial Air Park and one State grant for  
21 Tucson International Airport for your consideration  
22 today. Staff recommends approval of both grants.  
23 Agenda Items 21 and 22.

24 MR. ZUBIA: I'd like to make a motion for  
25 approval.

1 CHAIRMAN SCHORR: Is there a second?

2 MR. FELDMEIER: Second.

3 MS. LUNDSTROM: Second.

4 CHAIRMAN SCHORR: Motion has been made and  
5 seconded. All in favor say, "Aye."

6 (Whereupon, all responded "Aye.")

7 CHAIRMAN SCHORR: Any opposed? Carried and so  
8 ordered.

9 We are now at Item -- we are now, I  
10 believe, at the State Engineer's Report, Item 29.

11 MR. ELTERS: Mr. Chairman, Board members, good  
12 morning. I'm Sam Elters, the State Engineer.

13 Starting with Item Number 29 for the State  
14 Engineer's Report, we continue to have a heavy  
15 construction program. In fact, we have 94 active  
16 construction projects for the largest total program  
17 we've had, and that is \$1.395 billion. That is despite  
18 the fact that 13 projects were completed this month  
19 totally up to over \$94 million. That challenges us in  
20 many ways. Our staff is busy. We're doing everything  
21 we can to keep up with it. And that challenge is  
22 compounded by the hiring freeze that we are currently  
23 facing. Year to date, 87 projects have been finalized.

24 Moving on to the construction contracts, we  
25 have --

1 CHAIRMAN SCHORR: May I interrupt for a moment?  
2 On the construction contracts, I've finally done it.  
3 I'll have to recuse myself on each one of these. So I  
4 would ask either Bill or Felipe -- they can flip a  
5 coin -- to be the Acting Chair on these items.

6 MR. FELDMEIER: All right. Mr. Chairman, I got  
7 the finger. From Felipe, I mean. And with that, Mr.  
8 Chairman, we understand there you're recused from any of  
9 these items. May we continue?

10 MR. ELTERS: Mr. Chairman, Board members, we have  
11 nine projects on the agenda. Eight of them are on the  
12 consent agenda, and I'll be addressing one of them  
13 specifically with you. As far as the nine projects are  
14 concerned, the cumulative total bid is about five and a  
15 half million below the State estimate.

16 Moving on to Item Number 37, Item Number 37  
17 is a construction of HOV lanes on the Loop 101 Pima  
18 Freeway between Tatum Boulevard and Princess Drive.  
19 This will open on March 7. This is closing the median  
20 in Maricopa County. The apparent low bidder is Coffman  
21 Specialties, Inc. The bid amount was \$13,855,000. That  
22 is 18 1/2 percent below the State estimate. We did  
23 receive six bids. In reviewing of the tabs analysis,  
24 it's clear that this contractor is constructing a  
25 project for the Department immediately south of this

1 project. And many of the equipment and personnel that  
2 they need to construct this one are already on site. Do  
3 I believe this is a terrific bid and recommend award.

4 MR. FELDMEIER: All right. Mr. Chairman --  
5 excuse me. I am the chairman. All right. Somebody  
6 want to make a motion?

7 MR. ZUBIA: Actually, I would. You know,  
8 honestly, I'd like some more information on this, and  
9 particularly how does this project tie into what's  
10 currently going on out there. But in the -- in an  
11 effort to try to help move this along here, I know that  
12 you're not going to have a lot of information. I'd like  
13 to make a ^ recommendation that this item be tabled  
14 until next month as well.

15 MR. FELDMEIER: Okay. All right. We need a  
16 second.

17 MR. TRAVIS: Mr. Chairman?

18 MS. LUNDSTROM: Second.

19 MR. TRAVIS: We have a motion and a second, and  
20 then question. Richard?

21 MR. TRAVIS: Mr. Chairman, I would like to point  
22 out that the bid is 18.5 percent below our estimate, and  
23 because this contractor is working on the widening of  
24 the 101 up to this project, extending it to -- tabling  
25 it until May as the motion suggests would allow the bid

1 to expire.

2 MR. ZUBIA: I appreciate the clarification there,  
3 Mr. Travis. And I'd be willing to table this item for a  
4 week and then just have a conference call sometime next  
5 week if the second will be so inclined to accept that  
6 amendment.

7 MR. FELDMEIER: Are you all right with that,  
8 Bobbie?

9 MS. LUNDSTROM: Yes, I'm okay with that.

10 MR. FELDMEIER: So we'll allow the staff to put  
11 together the time in which we meet collectively  
12 telephonically to deal with this. So the motion then is  
13 to hold. All in favor?

14 (Whereupon, all responded "Aye.")

15 MR. FELDMEIER: It's unanimous. Who else do we  
16 have? Okay. We're finished then with that report.  
17 Then, Si, you're back on.

18 ^ CHAIRMAN SCHORR: Okay. We're back to Item  
19 Number 38, Comments and Suggestions. Any comments or  
20 suggestions for items the Board would like to have  
21 placed on future board meeting agendas? Hearing none,  
22 we can move on. I heard none. Are there any?

23 MR. FELDMEIER: No.

24 CHAIRMAN SCHORR: Let's move on to Item Number  
25 39, the Consent Agenda. And a motion would be in order.

1 MR. FELDMEIER: Mr. Chairman, I would ^ move to  
2 approve the consent agenda.

3 CHAIRMAN SCHORR: Do I hear a second?

4 MR. FLORES: Second. Victor.

5 CHAIRMAN SCHORR: Motion has been made and  
6 seconded. All in favor say, "Aye."

7 (Whereupon, all responded "Aye.")

8 CHAIRMAN SCHORR: ^ carried. So ordered.

9 Our next item is the call to the audience.  
10 And I would ask either Bill or Felipe to recognize  
11 audience members who would like to give us some input.

12 MR. FELDMEIER: Mr. Chairman, we have two folks  
13 that have expressed interest in addressing the Board.  
14 The first is Jack Husted, who's moving to the mic now.

15 MR. JACK HUSTED: Easily recognizable. I would  
16 just answer any questions that the Board might have  
17 regarding the TIME Coalition. I sit on the executive  
18 board of the TIME Coalition. And it is our stated goal  
19 to take the information that's been provided by the  
20 Governor's staff and ADOT. And I would tell Victor  
21 thumbs up. ADOT --

22 MS. LUNDSTROM: Can't hear you.

23 ^ MR. JACK HUSTED: ADOT did a wonderful job  
24 putting that information together. It is the stated  
25 goal of the TIME Coalition to attempt to now reach



1 consensus and look at the feasibility of taking a ballot  
2 initiative and raising the money needed to pass and  
3 develop this \$42 billion. There is some consensus  
4 billing that still needs to occur. We need to do some  
5 additional polling to take a look at whether or not we  
6 can, in fact, raise that kind of money this climate.  
7 There are some moving parts. But we are moving forward  
8 and will attempt in every fashion to keep the State  
9 Board of Transportation involved now as a partner as we  
10 move forward.

11 I would answer any questions that the Board  
12 might have.

13 MR. FELDMEIER: Hearing none then.

14 MR. JACK HUSTED: Thank you.

15 MR. FELDMEIER: Thank you, Jack.

16 And then the next person that we have is  
17 Anna Lands. Anna, thank you for being patient.

18 MS. ANNA LANDS: Tell me if I'm close enough.

19 MR. FELDMEIER: No. You're going to have to get  
20 right --

21 MS. ANNA LANDS: Really close?

22 MR. FELDMEIER: Really close.

23 MS. ANNA LANDS: My name is Anna Lands. I live  
24 in the Cascabel area of the Little San Pedro Valley in  
25 the Cochise County.

1 I personally thank each member of the Board  
2 and each member of the ADOT administration for whatever  
3 role you may have played to preserve the San Pedro  
4 River. That very same thanks is sent by the Cascobel  
5 Working Group, who intently for well over a year opposed  
6 even a notion of an interstate highway near the San  
7 Pedro River or its tributaries. That opposition remains  
8 intact.

9 I encourage the ADOT Board members and  
10 administration to continually evaluate new technologies  
11 in transportation possibilities and to maintain what is  
12 already in place. Thank you.

13 MR. FELDMEIER: Thank you, Anna.

14 And then, Mr. Chairman, that concludes our  
15 public participation for today.

16 CHAIRMAN SCHORR: I believe then the next item on  
17 our agenda is a motion to adjourn.

18 MR. FELDMEIER: I'll make a ^ motion.

19 CHAIRMAN SCHORR: Has it been seconded?

20 MR. ZUBIA: Second.

21 CHAIRMAN SCHORR: Motion made and seconded. All  
22 in favor say, "Aye."

23 (Whereupon, all responded "Aye.")

24 CHAIRMAN SCHORR: Thank you very much.

25 (The proceedings concluded at 10:50 a.m.)

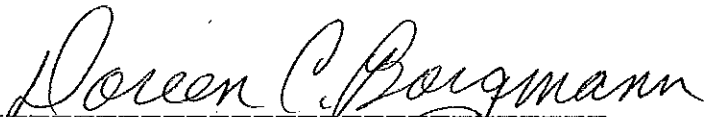
1 STATE OF ARIZONA )  
2 ) SS.  
3 COUNTY OF MARICOPA )

## 4 CERTIFICATE

5 BE IT KNOWN that the foregoing proceedings were taken  
6 before me, DOREEN C. BORGMANN, RMR, CRR, Certified  
7 Reporter, Certificate No. 50644, State of Arizona; that  
8 the proceedings were taken down by me in shorthand and  
9 thereafter reduced to computer print under my direction;  
10 that the foregoing 73 pages constitute a true and  
11 correct transcript of all proceedings had upon the  
12 taking of said proceedings, all done to the best of my  
13 skill and ability.

14 I FURTHER CERTIFY that I am in no way related to any  
15 of the parties hereto, nor am I in any way interested in  
16 the outcome hereof.

17 DATED at Phoenix, Arizona, this 1st day of May, 2008.

18   
19 DOREEN C. BORGMANN, RMR, CRR  
20 Certified Reporter  
21 Certificate No. 50644

22   
23 SI SCHORR, Chairman

24   
25 VICTOR MENDEZ, Director

**MINUTES OF THE  
“TELEPHONIC” BOARD MEETING  
OF THE STATE TRANSPORTATION BOARD  
1:05 p.m. – 1:45 p.m., Thursday, April 24, 2008  
Arizona Department of Transportation  
Director’s Office, Room 135  
206 South 17<sup>th</sup> Avenue  
Phoenix, Arizona 85007**

The purpose of today’s meeting is to discuss \*ITEM 1, formerly \*ITEM 37 of the April 18<sup>th</sup> Board Meeting Agenda.

Si Schorr is recused from \*ITEM 1, formerly \*ITEM 37 of the April 18<sup>th</sup> Board agenda.

**Roll call of board members:**

Delbert Householder, Vice-Chairman (acting as Chairman); Victor Flores, member; Bobbie Lundstrom, member; Bill Feldmeier, member; Felipe Zubia, member. Si Schorr, Chairman (absent); Bob Montoya, member (absent).

**Roll call of ADOT staff:**

Victor Mendez, Director, Richard Travis, Deputy Director, Sam Elters, State Engineer, John McGee, CFO, Mary Currie, Executive Assistant

Si Schorr is absent, so Delbert Householder will act as Chairman for today’s meeting.

Felipe Zubia expresses concern in awarding the bid at this time from a technical perspective and from a more pragmatic perspective on the financing of the project. He wishes to make sure that how this project was phased for development does not conflict and would create a good traffic circulation program for the 101 given the amount of construction there, which is significant. He does not have any doubt that ADOT staff is doing the right thing and has it all set up. That was not a major concern of his.

Dealing more from the financing perspective, through the statewide planning effort and through the bqAZ, the Board established a sub-committee of the Board to oversee the statewide transportation plan of which he is a part. It has become apparent through that process that MAG will be facing some significant financing hurdles towards the end of their 20-year plan. He raised a concern that in order to make sure that is sufficiently addressed and the county is not overextending themselves, he wanted to have this item carried over to give MAG a week of time to contact him and explain what they know about their budget shortfall and what they plan to do about it, or at least a timeline for which they can come up with a strategy to deal with it. He has yet to hear from MAG and it is not surprising. He did not expect to hear from them. This is not MAG funding for this project. This is a STAN project which is essentially all State money. It is not MAG money. Again this raises a concern. If the Board is throwing money in a project at a time when they may be facing a shortfall, instead of putting it on projects that would find it more beneficial for the funding, that should be addressed. He would prefer to hear from MAG to hear what they know about their shortfall and what they have studied on it so far, so he is not in a position to move this item forward.

**Board Action:**

Felipe motions that the \*ITEM 1 contract be denied.

Bill Feldmeier seconds the motion to include continuing the discussion.

Victor Flores has questions. He does not understand the correlation between MAG not having money if this is state money and a bidding process that he assumes went through the normal procedures. Why is this particular one a problem, especially with that statement that was just made about not being MAG money?

Felipe Zubia responds. The way MAG transportation funding works is that a large share of the money comes from the half cent sales tax from Prop. 400. That fund is also supplemented by State funds on a regular basis. MAG gets 37% of the State money in addition to the MAG funds that they get. The rural counties get 50% and PAG gets 13%. That is how everything is funded on a regular basis. Two years ago, the State Legislature took money out of the "rainy day" fund, or at least had a surplus and used some of that money on a statewide basis. This was State money and not transportation dollars. They created what was called the STAN account and the first item was for \$370 M and then they came back the following year which was STAN II to supplement with another \$80 M. That is over-simplified, but the point is that those are State dollars. Those funds then were allocated on a different percentage basis which gave Maricopa County a little bit more money, a higher percentage than normal. MAG then went through the process to identify projects that they would like to have advanced in the program. The issues in not necessarily the process or how it was done. When the Board concurred with MAG's recommendation on this STAN funding, no one on the Board had any idea that the Prop. 400 was facing such a significant shortfall, probably more than \$4 B shortfall. If the Board is awarding money for a State project when we initially did not know such a shortfall existed, the Board should take a second look at whether this is a wise decision with State money to the advancement of this project if there are other projects out there that may merit better consideration. That is not to say that this item may not come back and his concerns with MAG and their shortfall are not addressed that he may end up supporting this project, but he never heard from MAG. Richard did contact MAG and let them know that there was an issue with this that Felipe wanted to discuss, but still has not heard from them. Without getting questions addressed by them, he does not feel in a position to move this forward. That does not mean that if this goes out to bid again and comes back to us; as long as concerns are addressed he could support it.

Victor Flores asked Felipe if his concerns are with any Maricopa County projects because of questions that have not been answered on whether or not there is money to fulfill their part of it.

Felipe says this project is for an HOV lane. It does not add new capacity. If it was something that added new capacity it would be a different issue and he probably would not be as firm on this, but this is for an HOV lane which essentially does not add new capacity. It just extends the HOV lane. That is different, adding new capacity vs. adding an HOV lane.

Delbert Householder says that if it is all State money and it affects rural Arizona he is not for it. If a project in rural Arizona is approved but the funding is gone, it will get dropped where Maricopa will move forward.

Felipe says that Maricopa fund it through their MAG RTP because it is already in there. It is not a matter of this project not eventually getting done because it will. It will just get done through MAG money vs. State money.

Victor Mendez comments. There are several issues that everyone needs to be aware of before a decision is made on this. The STAN account was created specifically to accelerate needs. The Board followed the law. We went through a process to identify projects statewide, to accelerate them and to use up that funding to accelerate the projects. We accelerated primarily I-10 and that created some ripple effects for the rest of the State. Even though it is a Maricopa County project, it is included in the RTP. His concern is if we would do the same thing with the widening of I-10 from the same STAN account north of Tucson. Would we be willing to just defer it until the time comes up? Setting a precedent like that will ask if it is rural vs. urban.

Felipe Zubia responds. That is not the issue. The I-10 widening in Pima County is totally a separate issue. STAN being used in Maricopa County for the I-10 widening is not the issue. They were adding capacity there, so that served the overall good. But in this case, they are not adding capacity. That does not mean that if this comes back at a later date that he will not support it if he gets the information that he wants from MAG.

Victor Mendez adds a few things to consider. The shortfall in MAG is being analyzed. Sometime soon there will be a complete analysis of the cost overruns. About half of that is attributable to cost increases in general. We created a program in 2004 and there have been dramatic cost increases. Most of the second half is attributable to demands from the local entities for a different or more enhanced scope that what was originally planned. We will get into those details when the analysis is complete.

Victor Mendez and Sam Elters say the analysis should be here within a month or sooner.

Bobbie Lundstrom notes her concern of the differential in cost. The bid from the State and the low bidder is a \$3 M difference. She is concerned about how the State can be that far off.

Sam Elters responds. The contractor that is the apparent low bidder on this project, Coffman Specialties, Inc. is the same contractor that is currently constructing a 15 mile HOV project for us on the loop 101 immediately south of and abutting this project. The concrete is in place. They need to do very little to mobilize for this project. Their equipment and materials are already there. That is what enables them to give us such a competitive bid. What he reported at the Board Meeting last Friday was that we did analyze the bid tabs and we do believe that we have a good, sound bid and the contractor will be able to construct this project with this amount.

Sam Elters informs that the bidding deadline on this project expires May 7, 2008. If this is delayed beyond May 7, then theoretically we would have to go out and re-bid.

Victor Mendez explains we may get lower bids, or maybe even higher bids. We went through this with Roper Lake State Park. The contractor was willing to extend his bid for another X number of weeks. That is not to say that this could not happen here. He suggests that all consider, given the discussion, that it is deferred one more week. He has a meeting with Dennis Smith today one on one and he will let him know that the Board members need to hear from him and that the Board will take action next week on this item. Just an option.

Victor Flores responds by stating that he would support that if it is what Felipe wants to do. He is bothered that there are not any more details to convince him that this is a problem other than the fact that one Board member has not gotten information. He does not see any reason to deny the award of this contract. If the balance of the Board wants to wait a week and it does not cause us to lose this bid and perhaps pay more, then he is fine with that. He is not sure how it works in a public forum where candid discussion are held about concerns about not getting information, where other Board members are equally informed to make a decision on a subject matter such as this that impacts the contractor. It would take an awful lot to counter the recommendations of professionals, which in this particular case are staff that have made this recommendation.

Delbert Householder asks Felipe if a wait would be beneficial.

Felipe Zubia says he has not come to that conclusion yet. He does have a few other comments.

Bill Feldmeier asks to make a few comments. First, he understands the predicament that it puts the contractor in who has nothing to do with this issue whatsoever. At the same time, he has experienced the same frustration that Felipe has in terms of being able to obtain information, not from just MAG but from other sources as well. Unless we can get that information from MAG, they do not have any reason to perform for us. He agrees with Felipe on this and thinks we need to make a statement to them. He would like to say no to the contract. Then if they are willing to come back with the information, we can always reset the meeting for another week from now or three weeks from now. He thinks that MAG needs to know that we are willing to walk.

Victor Mendez clarifies Bill's comment. If you say no to the contract, if you say do not award, then we would have to rebid again. You cannot come back next week.

Felipe Zubia understands that, but Bill did not understand that. Felipe says that Victor had good comments. Given Victor's time on the Board he can understand why they are coming out. This has been dealt with for the past two and a half years that he has been on the board and it is not going to change in the next two or three years. It will be a source of frustration on your part as well. Going back to the issue, the I-10 widening in Goodyear will cost about \$80 M plus additional STAN money.

John McGee states that the amounts that he shows for the STAN project for Verrado to Sarival, current estimate of what was allocated by the Board to be accelerated with STAN funds was about \$3.7 M for design of that project and \$43.2 M for the construction of that project.

Felipe Zubia says that is about \$126 M total, \$80 M, plus \$43 M, plus \$3 M. The reason he asks about that is because his point is, on the scope of things for Maricopa County this is a small project. It is not like the Board is shutting down a \$126 M project. He understands that the contractor is already out there and mobilized and that we risk the bid amount if this is denied. We will certainly almost see a higher bid amount. That is fully expected given the contractor would have to remobilize there. He is tired of being in a position as a Board member to be told that his hands are tied when there are valid concerns that are raised and not addressed. That is particularly what has happened in this case. The Board is threatened with all sorts of scenarios, but he is willing to take the risk for a couple of reasons. This does not add new capacity so he thinks it merits consideration. Also, this is a small project in the overall scope of things. We should be able to step back and hopefully in the long-term develop a better

relationship with MAG where we can get timely information. To always continue marching along and MAG being able to take advantage saying that we will not be able to do anything because we have to approve it or end up with a higher contract. Whatever their mindset is, it is not a good way to do business. We have worked cooperatively with them for as long as he has been on the Board. He does not see that reciprocated. Victor needs to understand that and hear that. Victor's relationship with MAG prior to being on the Board is his relationship. Once you are a Board member and you act in accordance with the Board per view, that relationship changes and you realize that the cooperation is not reciprocated.

Victor Flores appreciates that and believes that may happen based on Bill's comments as well. He certainly saw a bit of that in last night's meeting. Perhaps it needs to be more transparent that there are concerns. Why isn't there a letter from the ADOT Board to MAG based on the problems that you have had? He feels that this has become a parochial personal concern because Felipe has not received documentation. Consequently it may impact a project because we want to teach them a lesson. Regardless of being a capacity builder, because I think the HOV lane, for those that use it, would argue that it does allow them to move quicker. He has heard of Mr. Smith and as a member of the TIME Coalition has heard of the reluctance to participate. He is not convinced that this timely little project could ultimately cost the state some money because they failed to abide by our request. He would be in favor if the contractor could wait a week.

Felipe Zubia says he does not have any problems with Dennis personally. All he is trying to do is get information for the Board so that when the Board makes a decision the Board can be fully informed. He has not called anyone that is on the phone right now to discuss this matter at all. The is because he wants everyone to make their own decision based on what was requested, what is being presenting and does not want to make it a personal issue. We are talking about a \$4 B shortfall or more vs. a \$13 M project.

Victor Flores apologizes that he does not have all those facts. He is brand new and perhaps he will get into it much deeper two years from now. In this case he has no alternative but to rely on recommendations by those folks that he believes have done their due diligence. In this particular case, if staff makes a recommendation, then he assumes that they have taken into their evaluation all of those things that you are talking about.

Felipe Zubia says regarding the letter, he agrees 100%. He does not mind if we do fall back on the one week continuance. Is the chairman sending a letter stating that there were concerns raised by the Board that this project is being advanced wherein it is not clear that it is adding capacity and in fact MAG will be facing a shortfall in the out years of their plan? We would like for MAG to address that matter and provide us with some information or some timelines by which some analysis will be done as to how the plan will be affected by the shortfall. Victor Mendez' suggestion to carry it over a week is a good suggestion.

What Felipe would like to do then is amend his motion to deny the item, to continue it a week with the additional amendment to have a letter from the Chair go to Victor and to MAG requesting additional information on the shortfall and understanding that they may have not analyzed it now, but at least providing a timeline for the analysis of the shortfall and how it may affect the plan in the out years.

Delbert Householder asks Bill if he agrees with a second on that. Bill seconds the motion.



Victor will draft a letter for the Chairman's signature stating that Board has some concerns and would like some additional information. This will be copied to all Board members.

**Board Action:**

Mary Currie called roll to take a vote from each member to amend the motion to deny the item and continue the item for one more week:

Felipe Zubia -- motion to continue the item for one more week

Bill Feldmeier -- seconded the motion

Bobbie Lundstrom -- yes

Delbert Householder -- yes

Victor Flores -- yes

Felipe Zubia -- yes

Bob Montoya -- absent

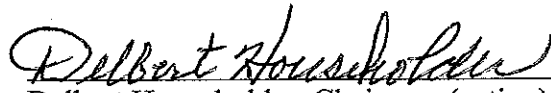
Si Schorr -- absent


Meeting will be set up one week from today and Mary will contact everyone with the new meeting dates.

Delbert Householder motions for meeting to be adjourned.

**Adjourn:**

The meeting adjourned at 1:45.

  
\_\_\_\_\_  
Delbert Householder, Chairman (acting)  
State Transportation Board

  
\_\_\_\_\_  
Victor Mendez, Director  
Arizona Department of Transportation

**MINUTES OF THE  
“TELEPHONIC” BOARD MEETING  
OF THE STATE TRANSPORTATION BOARD  
3:35 p.m. – 3:50 p.m., Wednesday, April 30, 2008  
Arizona Department of Transportation  
Director’s Office, Room 135  
206 South 17<sup>th</sup> Avenue  
Phoenix, Arizona 85007**

The purpose of today’s meeting is to discuss \*ITEM 1, formerly \*ITEM 37 of the April 18<sup>th</sup> Board Meeting Agenda.

Si Schorr is recused from \*ITEM 1, formerly \*ITEM 37 of the April 18<sup>th</sup> Board agenda which involves the Pima Freeway and asks Vice-Chair Delbert Householder to take over this matter.

**Roll call of board members:**

Si Schorr, Delbert Householder, Bob Montoya, Felipe Zubia, Bill Feldmeier, Bobbie Lundstrom (absent), Victor Flores.

Dennis Smith, Eric Anderson of MAG.

**Roll call of ADOT staff:**

Victor Mendez – Director, Richard Travis – Deputy Director, Mary Currie – Executive Assistant, John McGee – CFO, Floyd Roehrich, Joe Acosta, Sam Elters – State Engineer.

The only item on the agenda today is \*ITEM 1.

The letter was sent out to try to get information on how we can do freeways and other roads with the budget that we have.

Felipe Zubia addresses Dennis Smith regarding the ongoing discussion for the past few weeks when this Item was first up for consideration on April 18. Felipe raised a concern at that time dealing with the funding of the project; in particular, this project is being funded through the STAN Project which is all State money. He heard that the MAG 2008 plan was going to be deficient in funding towards the latter years of the plan, so what he wanted to find out from Dennis is in regards to the awarding of the contract for the HOV lanes for the 101. He wanted to know if that was a prudent expenditure of State funds given the state of the MAG 2008 plan, or at least what the projections are for the 2008 plan. He wanted an analysis of how that would affect the plan and some of the projects that may be dropped off in later years, and if there is a better way to spend that State money other than on the HOV lane. This is the general reasoning behind discussing this further. To date, he has not gotten any feedback on those questions.

Dennis Smith says they have been working with the ADOT staff on the regional freeway program in general and there is general consensus that there is a \$4 B problem for the 20 year plan; it could be up to \$6 B depending on how far some projects are taken like the Broadway curve and I-17. The STAN funding was general fund money given by the legislature in STAN 1. It was given for a specific purpose and they approved the funding for STAN 1 on 12/13/07. It was contingent on the project going

into TIP and the air quality conformity analysis. That has happened. This project is all cleared and ready to go. He is not sure that there is the flexibility to unwind it now and put the money anywhere else. In general, the funding in MAG in this region during the next four years is one of the most aggressive construction programs in the nation. Our problem in that \$4 B deficit will come towards the latter years of the program. That is where the significant problem will happen.

Felipe Zubia asks where this project was in regard to the 20 year plan. Was it a current project? Was it a project in year 5 or year 10?

Eric Anderson said this project was slotted in the ADOT program before the STAN money was made available for construction 2011, so it was the first year in phase 2.

Felipe Zubia asks if there was a difference between the ADOT plan and the MAG RTP.

Eric Anderson says they are one in the same. We cooperate with ADOT and MAG. The ADOT life-cycle program mirrors MAG's RTP by requirement at the Federal level. It is a 2011 project that is being brought up to 2008. The other thing about this project is that it closes a gap between Tatum Blvd and Princess Drive with HOV lanes. HOV lanes are currently under construction from 202 up to Princess Drive and also from the 51 onto the 101 to Tatum. Those two construction projects are currently under way. This completes the gap between so we can open all those HOV lanes at the same time.

Felipe Zubia comments that he is following up on the question of funding and where the project was in 2011. Are there any other projects that are negatively impacted by this one being moved up and if not, then are there any projects that are positively affected by this one moving up?

Eric Anderson clarifies that this was not on the 11<sup>th</sup> year of the plan but 2011. It is an early project. Secondly, once the project is awarded it will actually free up money in the STAN account that can be applied to other projects. As part of the deliberations when addressing the Board on 12/15/06, one of the important considerations on all of the accelerations at MAG is that projects downstream are not adversely affected by that. If there is a concern of the Board that the program has a cost deficit, in the MAG priority setting process, typically the fourth phase projects would be extended into a latter year of the plan. One STAN project that is a phase four project is the construction of the additional general purpose lanes in the Carefree Highway to Anthem. If anything was deleted because of cost concerns in our process, it would be a phase four project.

Felipe Zubia asks if that would include the I-17 project. He asks if the Board felt that the I-17 project was a project that they did not want to have the lead in, at what point would the Board be able to make sure that it gets in on the front end of the plan?

Eric Anderson says the priorities would have to be set coming through the MAG process according to State law.

Felipe Zubia asks if the Board has no effect on the MAG area.

Eric Anderson says the Board has the ultimate authority to award contracts, but the project has to be consistent with the 5-year TIP and our plans. What it really forces is that MAG staff and ADOT staff

work together with the Board to make sure that all are in agreement before projects move forward. This is what we have done. This is why the ADOT life-cycle program mirrors the regional transportation plan and the TIP.

Felipe Zubia says that this addresses his questions with regard to the funding and the project itself. Getting back to the other issue as part of this discussion which is the funding of the 20-year RTP. At some point, will the Board get a briefing on the status of that sooner rather than later?

Victor Mendez says that we have been working on the analysis. It is a very detailed analysis. That is why Floyd is here. Not to get into details now, but it is a fairly significant issue and we want to make sure that before we release any of the details it is all nailed down.

Felipe Zubia says he thinks it is critical that the Board get an update prior to any final decisions being made as to what in the plan gets programmed if there is a short fall and there is no other funding source. The Board would want to be involved in the process, particularly if there are projects that risk not being funded or constructed due to a lack of funds.

Joe Acosta replies. This is going afield of the item that was noticed to the public. The answer to this question is something that could relate to this project but not to the 5 year plan.

Felipe Zubia is only providing comments on the public matter.

Dennis Smith comments that as point of information, by statute we do the annual report that talks about revenues and costs. One good thing to do in the future when that is being done is to make a presentation to the Board every year. This is a big issue coming and should not come as a surprise to the Board. We should give ample warning and work with the Board in advance.

Felipe Zubia asks for comments from any other Board member on this agenda item.

#### **Board Action:**

Delbert Householder asks for a motion on Item 1 to accept the bid.

Victor Flores motions to accept Item 1.

Bob Montoya seconds the motion to accept Item 1.

Chairman Si Schorr -- let the record show that he will recuse himself on this matter.

Bob Montoya -- yes

Bill Feldmeier -- yes

Victor Flores -- yes

Felipe Zubia -- yes

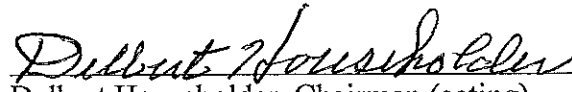
Delbert Householder -- yes

Bobbie Lundstrom -- absent

Delbert Householder thanks Dennis and Eric for being present to explain how things are going in the MAG program and how ADOT is working with MAG on these projects.

**Adjourn:**

The meeting adjourned at 3:50 p.m.

  
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Delbert Householder, Chairman (acting)  
State Transportation Board

  
\_\_\_\_\_  
Victor Mendez, Director  
Arizona Department of Transportation